Compendium

International Civil Service Commission

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CHAPTER 1
PROCEDURAL AND ORGANIZATIONAL MATTERS

SECTION 1.10
THE CONSTITUTIONAL BACKGROUND

1945

1. The Charter of the United Nations which was signed in San Francisco on 26 June 1945 and entered into force on 24 October 1945, contains several articles which are relevant to the International Civil Service Commission (ICSC).
2. Article 8 in Chapter III states: "The United Nations shall place no restrictions on the eligibility of men and women to participate in any capacity and under conditions of equality in its principal and subsidiary organs."
3. Article 57 in Chapter IX states:
    1. "The various specialized agencies, established by inter-governmental agreement and having wide international responsibilities, as defined in their basic instruments, in economic, social, cultural, educational, health and related fields, shall be brought into relationship with the United Nations in accordance with the provisions of Article 63."
    2. "Such agencies thus brought into relationship with the United Nations are hereinafter referred to as specialized agencies."
4. Article 63 in Chapter X states:
    1. "The Economic and Social Council may enter into agreements with any of the agencies referred to in Article 57, defining the terms on which the agency concerned shall be brought into relationship with the United Nations. Such agreements shall be subject to approval by the General Assembly."
    2. "It may co-ordinate the activities of the specialized agencies through consultation with and recommendations to such agencies and through recommendations to the General Assembly and to the Members of the United Nations."
5. Article 101 in Chapter XV states:
    1. "The staff shall be appointed by the Secretary-General under regulations established by the General Assembly."
    2. "Appropriate staffs shall be permanently assigned to the Economic and Social Council, the Trusteeship Council, and, as required, to other organs of the United Nations. These staffs shall form a part of the Secretariat."
    3. "The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible."
6. Though the Preparatory Commission of the United Nations had recommended in 1945 the establishment of an international civil service commission and this recommendation had been approved by the GA at its first session it had not been put into effect at that time. Instead, the International Civil Service Advisory Board (ICSAB) had been set up in 1948 and had played an important part in developing principles and standards in personnel matters until 1975 when it was replaced by ICSC.
7. By **resolution 3042 (XXVII)** of 19 December 1972, the GA. decided to establish in principle, as of 1 January 1974, an international civil service commission consisting of not more than 13 independent experts having the requisite qualifications and experience who would be appointed in their individual capacities by, and responsible as a body to the GA.
8. On 18 December 1974, the GA, acting on a proposal submitted by the representative of Algeria, adopted an oral amendment to increase the number of experts to 15 by replacing the word "thirteen" with the word "fifteen" in Article 2 of the draft Statute. Following the adoption

of that amendment, the Assembly approved a consequential amendment to the second sentence of paragraph 1 of Article 5 of the draft Statute, replacing the word "four", which occurred twice with the word "five". By **resolution 3357 (XXIX)** of 18 December 1974, the GA then decided to:

1. "Approve the present Statute of the International Civil Service Commission."
2. "Endorse the administrative and budgetary arrangements proposed for 1975 by the Secretary-General, subject to the recommendations of the Advisory Committee on Administrative and Budgetary Questions."
3. "Request the International Civil Service Commission to review, as a matter of priority, the United Nations salary system in accordance with the decision in paragraph 5 of General Assembly resolution 3042 (XXVII), and to submit a progress report to the Assembly at its thirtieth session."
4. "Invite the organizations' members of the United Nations common system to participate in and contribute to the work of the International Civil Service Commission and request the Secretary-General, as Chairman of the Administrative Committee on Co-ordination, to report on relevant developments to the General Assembly at its thirtieth session."

9. The basic texts of ICSC are published in the "Statute and Rules of Procedure" of the International Civil Service Commission *(ICSC/1*, New York, 1975 and *ICSC/1/Rev. 1*, New York, 1987). The texts of the relevant articles on personnel arrangements of the relationship agreements between the UN and the other participating organizations are provided in the Annex to the Statute and Rules of Procedure. The full texts of the relationship agreements between the UN and the participating organizations are published in the United Nations Treaty Series, whose reference numbers are provided in Table 1 on page 26 of ICSC/1/Rev.1.
10. The ICSC statute has been formally accepted by the following specialized and related agencies: ILO, FAO, UNESCO, ICAO, WHO, IMO, UPU, ITU, WMO, WIPO, UNIDO and IAEA. IFAD agreed to co-operate with ICSC, while ICITO/GATT and GATT[1] apply the UN staff regulations and rules and participate de facto in the work of ICSC. Under the UN umbrella, UNICEF, UNDP, UNRWA and UNHCR participate individually in the work of the Commission. All aforementioned organizations are generally referred to as the common system organizations. A number of other international organizations follow the conditions of service of the common system but do not formally participate in it.

1 / As of 1 January 1995, GATT became the World Trade Organization (WTO)

SECTION 1.20
STATUTE AND RULES OF PROCEDURE

1974 By **resolution 3357 (XXIX)** of 18 December 1974, the GA approved the statute of the International Civil Service Commission (ICSC).

1975 **1st session (May):** ICSC considered some questions of interpretation and reviewed the statute article by article. It adopted its rules of procedure *[ICSC/R.8]*.

1980 **11th session (February/March):** ICSC felt, that in the light of the experience it had had over the last five years, it should look into the statute and rules of procedure. It decided to appoint a working group to review the statute and rules of procedure.

12th session (July/August): ICSC welcomed the report of the working group *(ICSC/R.212)* and decided to direct its Executive Secretary to undertake a detailed study of the articles and rules of procedure, if necessary with the help of a consultant. The study was to take into account the historical background of the statute, particularly article 4 which deals with the appointment of the Chairman, Vice-Chairman and members of ICSC and article 20 dealing with selection of the staff *[A/35/30, paras. 311 and 312]*.

1981 **13th session (February/March):** ICSC continued its review of the statute and rules of procedure on the basis of a study prepared by a consultant *[ICSC/R.263]* which contained a review of the historical background of the establishment of ICSC and the adoption of its statute; an analysis and commentary on individual articles of the statute and those rules of procedure which were directly linked to provisions of the statute; and a number of preliminary conclusions *[A/36/30, para. 273]*. ICSC decided to take note of the consultant's report, to invite CCAQ and FICSA to present their views on the matter at the 15th session and to instruct its secretariat to prepare a study of rules 36 and 37 of the rules of procedure on the basis of an opinion to be obtained from the UN Office of Legal Affairs *[A/36/30, para. 238]*.

14th session (July): ICSC reviewed the above-referenced study. The legal opinion rendered was that the decisions and rulings taken to-date by ICSC constituted legally correct and reasonable interpretations of the provisions of rules 36 and 37; that whether FICSA or any other association could, at any given time, be considered the proper spokesman for the common system staff as a whole, was a matter which required factual rather than legal determinations, which might have to be re-examined from time to time; and that executive heads and staff representatives had a right to be heard concerning the amendment of any of the rules of procedure of ICSC and a particular right to be consulted in respect of any changes in rules 36 and 37. ICSC noted with satisfaction the opinion of the Office of Legal Affairs *[A/36/30, para. 239]*.

1983 At its 38th session the GA considered the following draft decision to amend article 6 of the ICSC statute submitted by Morocco *(Document A/C.5/38/L.23)*: "The GA decides to amend article 6, paragraph 2 of the statute of ICSC to read:

2. "No member of ICSC may participate in the deliberations of any organ of the organizations on any matter within the competence of ICSC unless ICSC has requested him or her to do so as its representative; nor shall a member of ICSC serve an as official or consultant of any such organization during his or her term of office."

By **decision 38/451**, the GA requested the SG to consult with the organizations members of the common system and ICSC bringing to their attention, *inter alia*, the discussions in the Fifth Committee

on the proposal in document A/C.5/38/L.23, annexed to the decision, and to report on the results of those consultations to the Assembly at its 39th session.

The GA, by **resolution 38/232**, also reaffirmed the principles embodied in the statute of ICSC as approved in GA resolution 3357 (XXIX), in particular article 6 thereof, and requested Governments, secretariats and staff associations to cooperate in this regard.

1984 **19th session (March):** ICSC considered the above-mentioned proposal. It decided to inform the SG of the UN in his capacity as Chairman of ACC that, concerning the substance of the amendment, it did not consider it appropriate to pronounce itself on an issue dealing directly with its members *[A/39/30, para. 232]*. With regard to the procedure envisaged for amendments to its statute, ICSC noted that, in accordance with article 30 of the statute, the GA might amend the statute, subject to the same acceptance procedure as was followed originally for acceptance of the statute by the organizations. ICSC recognized that a deadlock in the common system would clearly arise if the GA adopted an amendment which was subsequently not accepted by all of the current contracting parties. It considered the procedure involving prior consultation with other organizations of the common system to be the appropriate one *[A/39/30, para. 233]*. The GA did not take any further action on this matter.

1987 **25th session (March):** ICSC considered a document *(ICSC/25/R.16)* prepared by its secretariat on the review of rules 17, 30, 32, 33, 36 and 37 of its rules of procedure. This review was called for following UN Administrative Tribunal Judgement No. 370 (AT/DEC/370) concerning the suspension of class 12 PAI in New York as at 1 December 1984 and the question of a general or *ad hoc* time-limit, which had arisen in connection with the implementation of the remuneration correction factor by the UN in 1986. These issues involved the annotations to rules 32 and 33 respectively. In this connection, the ICSC secretariat reviewed all rules with annotations and submitted amendments to these rules and annotations to ICSC for its consideration *[A/42/30, para. 351]*.

ICSC decided: (a) to maintain rule 17 and its annotation as they stood; (b) to retain the principle of eight affirmative votes under rule 30, paragraph 2, and to delete the annotation to rule 30; (c) to delete the annotation to rule 32; (d) to apply an appropriate time-limit in each future case and to include reference to that in rule 33, while deleting the annotation to that rule; (e) to amend rules 5, 6, 8, 22, 36 and 37 to reflect the participation of CCISUA and to amend the annotations to rules 36 and 37 by removing the references to review or revision in the light of experience. The revised rules of procedure would be issued together with its statute under the symbol *ICSC/1/Rev.1 [A/42/30, para 354]*.

1999 **50th session (July):** The UN Legal Counsel informed ICSC that ACC had endorsed an amendment to the ICSC statute proposed by the legal advisers of the United Nations system and requested that the Commission place that amendment before the GA for its consideration. In ACC's view, the proposed amendment to the ICSC statute would enable the organizations and the Commission to request an advisory opinion from an ad hoc advisory panel on the legality of a decision or recommendation made by ICSC under the authority of its statute before that decision or recommendation was made, or at least before it was implemented by the organizations. The Commission noted at the outset that neither ICSC nor its secretariat had been consulted by ACC or its legal advisers on the proposed amendment to the ICSC statute. Most ICSC members opposed the establishment of advisory panels. There was no need for such a review mechanism since there were so few ICSC decisions and recommendations that had been successfully challenged before the Administrative Tribunals of the UN system. The establishment of advisory panels would result in adding a step in an already long and complex judicial process, and would further delay implementation of ICSC decisions and recommendations, thereby disrupting the system. ICSC concluded that the usefulness of the advisory panels was doubtful since their advisory opinions would not be binding on the Tribunals, the organizations and the staff representatives. ICSC decided to submit its observations on the proposal of ACC to the GA. ICSC also requested its

Chairman to forward those observations to the UN Legal Counsel, and requested that if ACC decided to submit the proposed amendment to the GA, ICSC's comments be attached to the submission.

In resolution 54/238, the GA noted the comments of ICSC as outlined in its annual report and reaffirmed its statute.

2022 By its resolution 77/256 A of 30 December 2022, the General Assembly decided to amend articles 10 and 11 of the statute of the ICSC, for clarification purposes and without altering the Commission's authority or affecting the operational reality.

The revised statute and the most updated rules of procedures are contained in publication ICSC/1/Rev.3. This text also lists all member organizations of the common system and the applicable dispute mechanisms.

SECTION 1.30
FUNCTIONING AND WORKING METHODS OF THE COMMISSION

1975 **1st session (May):** ICSC decided on two sessions for 1975, 1976 and 1977 instead of one each year - one short one (e.g. two weeks) and the other longer (three or four weeks). It expressed the desirability of one session being held at UN HQ and the other at the HQ of a participating organization *[ICSC/R.8, para. 44-47]*.

1976 **4th session (June/July):** ICSC decided that in accordance with article 8 (i) of its statute, the views of representatives of organizations and staff should be taken into account in the preparation of technical studies made by or for ICSC *[ICSC/R.59, para. 11]*.

1978 **7th session (Feb./March):** ICSC noted that the time available from three-week sessions was insufficient to complete its work programme and decided to arrange its work programme for 1978 on the basis of the following priorities: (a) matters to be reported during the year to the GA; (b) other urgent and important items to be maintained in its work programme; (c) other long-term functions under articles 13, 14 and 15 of its statute *[ICSC/R.115, paras. 23 and 24]*.

1979 **10th session (August)**: ICSC, noting that three weeks was not sufficient for its heavy agenda, inquired about the possibility of a four-week duration for its 11th session *[ICSC/R.192, para. 64]*.

In **resolution 34/165**, the GA suggested that ICSC consider ways of reducing the length of its annual report while still making clear in its report or its annexes any recommendations to the GA and the precise effect, impact and costs of any proposals.

1980 **11th session (Feb./March):** (a) regarding the preparation of its annual report to the GA, ICSC confirmed its practice that the final drafting of those parts not formally adopted during the session should be entrusted to the Executive Secretary, complying with any directives from ICSC and under the authority of the Chairman. After the draft report was adopted, only formal editorial changes could be made; (b) a Working Group was appointed to review ICSC's statute and rules of procedure. (c) ICSC decided on a four-week summer session *[ICSC/R.212, paras. 175 and 176]*.

12th session (July/August): ICSC decided on different formats for its sessional and annual reports. The latter should be concise and informative, provide supporting information, data and financial implications on its recommendations and have a summary of recommendations at the front of the report. Sufficient time should be allowed for consideration and adoption of the annual report *[ICSC/R.240, para. 69]*.

In resolution 35/214, the GA requested ICSC to continue to provide to the Assembly the total financial implications of all recommendations covered by its annual report.

1981 **13th session (July/August):** After reviewing a study of the articles of the statute and rules of procedure prepared by a consultant, ICSC took note of the report, invited FICSA to present its views by the 15th session, and decided to review rules 36 and 37 on the basis of a legal opinion at its 14th session *[ICSC/R.267, para. 191]*.

14th session (July): (a) after reviewing rules 36 and 37, ICSC noted with satisfaction that its decisions and rulings to date were correct interpretations of those rules and decided to review further its statute and rules of procedure at its 15th session *[A/36/30, para. 241]*. (b) having considered the possibility of having only one session a year, ICSC decided to continue with two three-week sessions a year rather than the practice of one three-week (March) and another four-week (July) session, one being held in a HQ duty station other than New York, provided the necessary financial resources were available *[ICSC/R.302, para. 122]*.

1982 **15th session (March):** Following a review of its statute and rules of procedure and working methods during the past seven years, ICSC decided (a) that there was no need to amend its statute or rules; (b) to continue to review its methods of work at future sessions as required. It reiterated the necessity for co-operation, understanding and co-ordination among the various organizations to further and fulfil the objectives of the common system, not only individually with executive heads but also collectively through ACC *[ICSC/15/R.26, paras. 209-215]*.

1983 **17th session (March)**: After reviewing rules 1, 36, 37 and 38 of the rules of procedure, ICSC considered criteria for staff representation in ICSC's sessions and deferred decision to its 18th session *[ICSC/17/R.28, paras. 234 and 235]*.

18th session (July): ICSC established criteria for global staff bodies participating in its sessions: 25 per cent representativity and embracing more than one organization and more than one duty station *[ICSC/18/R.33, para. 155]*.

1984 **19th session (March)**: ICSC decided on its views to be sent to the SG on the **4** proposed amendment of article 6, paragraph 2 of its statute *[ICSC/19/R.22, paras. 225 and 226]*.

1985 **21st session (March):** ICSC decided against granting observer status to the Inter-American Development Bank (IDB) but requested the secretariat to cooperate in exchanging information and documentation with IDB *[ICSC/21/R.24, para. 267]*.

1986 **24th session (July):** ICSC decided to review in March 1987 the duration of its future sessions, especially in regard to the possibility of shortening its spring session for economic reasons *[ICSC/24/R.22, para. 102]*.

1987 **25th session (March)**: ICSC took the following decisions in respect of its working methods: (a) its work would continue to be distributed between open and executive sessions. The open sessions would continue to be designed to provide for the presentation of facts and views by representatives of executive heads of organizations and staff in accordance with article 28 of the statute and the relevant rules of procedure, as well as for an interchange of views among all participants. While no fixed proportions would be allocated for the time to be spent in open and executive sessions, the work would be organized in such a way as to ensure full consultations and, on matters related to pensions, full cooperation with UNJSPB would be maintained; (b) at the spring session, ICSC could take decisions and dispose of some items in its annual work programme and adopt draft sections of its annual report; (c) the spring and summer sessions should each continue to be of three weeks' duration, it being understood that the length of the sessions would be interpreted flexibly to enable ICSC to complete its work; (d) the necessary measures would continue to be taken for the timely preparation, translation and distribution of documents for each session; (e) all participants would exercise the necessary self-restraint regarding the frequency and length of their interventions *[ICSC/25/R.18, para. 171]*.

In considering the above decisions the GA, in **resolution 42/221**, stressed the need for ICSC to continue to improve its reporting so that in future its recommendations and decisions were presented with comprehensive background information and statistical evidence, with a view to facilitating comprehension by the general reader. The GA also requested ICSC to undertake a study of its functioning with a view to enhancing its work and to report thereon to the GA at its 43rd session

1988 **27th session (March)**: In consideration of the GA's request: (a) ICSC decided to improve the format and shorten the length of its annual report in 1988 as a means of enhancing its technical work. ICSC agreed to continue to study other related issues and requested its secretariat to prepare a document for consideration at the 29th session; (b) with respect to the sessional report, ICSC decided to maintain for

the time being its present format, but to improve the presentation through brevity and simplicity of language *[ICSC/27/R.24, paras. 226 and 227]*.

28th session (July): ICSC adopted the following format for its annual report:

Part one

I. Organizational matters.

II. For each agenda item on which ICSC normally reports in detail, the following shall be reported:

(a) Brief outline of the issue and existing practice, reasons for the proposed change, a short analysis and possible options or solutions;

(b) ICSC's recommendations or decisions, including financial implications.

Part two

For each of the agenda items:

I. Views of the organizations.

II. Views of the staff representatives.

III. Discussion of ICSC.

IV. Examples, as appropriate, of the effects of the change proposed/approved. Annexes to the report *[A/43/30, para. 10]*.

ICSC agreed to arrange its **work programme** so as to take up during the first week priority items on which decisions or recommendations to the GA were required. It further decided: (a) to arrange informal pre-session briefings for ICSC members, as appropriate; (b) to conduct the fullest possible discussions in the open sessions and conclude the consideration of priority items in executive session as soon as possible, preferably in the first week; (c) to request its secretariat to produce draft decisions as soon as possible upon the conclusion of each item; (d) to make these draft decisions available to ICSC members, CCAQ and the staff representatives simultaneously at the earliest possible time, on the understanding that in exceptional cases they might be distributed first to ICSC members for clearance; (e) to request CCAQ and the staff representatives to present their comments on the draft decisions in writing; (f) to consider whether, on an exceptional basis, certain items should be discussed further in open session in the light of comments made by CCAQ and the staff representatives *[A/43/30), para. 14]*.

CCISUA and FICSA suspended their participation in ICSC, alleging that ICSC had submitted to political pressure. They called for genuine negotiations between staff representatives and the employers on conditions of service.

By **resolution 43/226**, the GA reaffirmed the importance of the role of ICSC as an independent technical body answerable to the GA; recalled also its request in resolution 42/221 that ICSC should undertake a study of its functioning; expressed concern over the position taken by the staff representatives to suspend their participation in the work of ICSC; noted that ICSC had not found it

possible to undertake a more in-depth review of its functioning; noted further the need to undertake, as soon as possible, a full review of the functioning of ICSC, including the definition of the role of ICSC in relation to the determination of the conditions of service of the staff, and ICSC's relation to the GA. The GA further (a) requested ICSC to expand the review of its functioning in consultation with organizations and staff representatives and to present proposals thereon to the GA at its 45th session; (b) invited ICSC at the earliest opportunity to review its rules of procedure to allow for the fullest possible consultation with, and, to the greatest extent possible, the presence of organizations and staff representatives in its deliberations; (c) also requested the UN/SG, in the context of article 4 of the ICSC statute, to propose to the GA an appropriate deadline for the submission of candidatures for appointment to ICSC so as to allow for full and timely consultations with the three parties concerned; (d) further requested the UN/SG in his report to the GA to reflect the views resulting from the consultations referred to in paragraph 3 above; (e) urged the two staff representative bodies to resume participation in the work of ICSC at the earliest possible opportunity.

In regard to the comprehensive review of the conditions of service of the P and higher categories, the GA invited ICSC to make arrangements to allow for the fullest participation of organizations and staff representatives in all aspects and at all stages of the comprehensive review.

1989 **2nd special session (January):** Following the GA's request in resolution 43/226, ICSC again reviewed its working methods. In the light of CCISUA's and FICSA's continued suspension in ICSC sessions, the GA's expressed concern at the absence of the staff representatives and the views expressed by ACC, ICSC considered that further improvements in its working methods were necessary. It decided that: (a) 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 (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 session, ICSC would provide an opportunity for further discussion in open session; (e) ICSC would keep the matter under consideration, monitor progress made in this area and review its rules of procedure as appropriate *[ICSC/S-2/R.5, para. 17]*.

Regarding the GA's request pertaining to the comprehensive review, ICSC decided to establish a Preparatory Working Group, on which the organizations, staff and ICSC secretariat would be represented and a Working Group on the Comprehensive Review consisting of representatives of the organizations, of the staff and several ICSC members. *[ICSC/S-2/R.5, paras. 23-27]*.

29th session (March): CCISUA resumed its participation at the 29th session. FICSA continued its suspension in the 29th and 30th sessions of ICSC while taking part in the working group for the Comprehensive Review *(for further details see section 2.1.90 on the comprehensive review)*. ICSC decided, in the light of the unique requirements of the comprehensive review and the provisions of resolution 43/226, that staff representatives designated under subpara. 1 (a) of rule 37 of the ICSC rules of procedure could attend ICSC meetings at which substantive determinations were made in respect of decisions on the comprehensive review. That decision was without prejudice to existing provisions of the rules of procedure *[A/44/30 vol. I, para. 24]*.

30th **session (August):** ICSC considered the format of its fifteenth annual report on the basis of a note prepared by its secretariat. It decided to submit the report to the GA in two volumes. Volume I would cover all items considered at its second special, 29th and 30th sessions and those on which ICSC traditionally reported to the GA. The comprehensive review of conditions of service of the P and higher categories would be reported in detail in volume II. The various aspects of the conditions of service of higher categories of staff as they related to the comprehensive review would be divided into separate chapters in volume II. 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) therefore; (c) effect(s) of proposed change(s); (d) recommendation(s); and (e) financial implications *[A/44/30, vol. I, paras. 16 and 17]*.

In resolution 44/198, the GA recalled its request that ICSC undertake a study of its functioning, with a view to enhancing its work. The GA noted that action so far had been limited to the format of ICSC's annual report and to practical arrangements for the conduct of its work during its sessions. The GA requested the UN/SG, together with his colleagues in ACC and after consultations with the representatives of staff, to review the functioning of ICSC and to present a report on the matter, together with ICSC's views thereon, to the GA's 46th session. In the meantime, it requested ICSC

(a) to maintain, in connection with matters related to comprehensive reviews of conditions of service of staff, the arrangements established in response to its request in resolution 43/226, as reported above; (b) to continue to seek improvements in the presentation of its report.

1990 **31st session (March)**: In response to the above request of the GA, ICSC took decisions in three major areas: working methods; the format of its reports and the role it would take in the review of its functioning. With regard to its working methods, ICSC decided that (a) as a general rule, on all issues affecting the conditions of service of UN common systems staff, representatives designated by ACC, FICSA and CCISUA might attend all ICSC meetings, including those at which decisions were taken. This would not prejudice ICSC's right to hold executive sessions; (b) on major issues, as determined on its own initiative or on the proposal of the representatives of organizations or of staff, ICSC might establish tripartite working groups composed of members of ICSC or of its secretariat and representatives of the organizations and staff. UNJSPB or its secretariat would be invited to participate as appropriate. Draft decisions of ICSC would be made available simultaneously and in a timely manner to its members, CCAQ and the staff representatives. Regarding the format of its reports, ICSC decided to provide a glossary of technical terms as part of its annual report; (c) with respect to its role in the review of its functioning, ICSC was of the view that it should be involved at all stages of the review. This view was conveyed to ACC, at its May 1990 session, by the ICSC Chairman *[A/45/30, paras. 11 and 13-17]*.

FICSA participated in discussions relating to the Comprehensive Review but did resume full participation until the 32nd session.

32nd session (July/August): ICSC was informed that ACC had requested CCAQ to consult with staff representatives and ICSC in the preparation of a discussion paper on the review of the functioning of ICSC, and to submit a report thereon for consideration by ACC at its first regular session in 1991 *[A/45/30, para. 18]*.

1991 **34th session (August)**: ICSC had before it the report prepared by ACC on its functioning *[A/46/275]*. It noted that the ACC document indicated that, overall, ICSC had functioned relatively well and that its statute was a healthy instrument. The document singled out some areas where criticism still remained and which, from the organizations' standpoint, fell into three broad groups: increasing politicisation, lack of appreciation for the differences among organizations, and an overburdened work programme and regulatory approach to issues. While ICSC did not fully concur with the analysis and the recommendations proposed by ACC, it did agree that improvements in the personnel policy-making process had been and should continue to be made. ICSC noted, however that since it did not function alone, the other interested parties had a role to play in assisting ICSC to carry out its mandate *[A/46/30, vol. II, paras. 1, 3 and 5]*.

With respect to increasing politicisation, ICSC affirmed that it had always acted independently and objectively and had based its recommendations and decisions on sound technical considerations. It

firmly rejected all allegations of politicisation, pointing out that there was no evidence whatsoever of ICSC as a body, or of individual members, giving way to pressure from any country, group of countries or specific interests. ICSC noted that it was often those decisions on which its interlocutors disagreed that were termed political *[A/46/30, vol. II, para. 7]*.

ICSC considered that the organizations could have done more to bring their specific problems directly to its attention. It encouraged this process to enable it to arrive at mutually satisfactory solutions. By simultaneously taking into account the diversity of the organizations and their differing needs, by respecting the decisions of the GA and by bearing in mind the constraints of the Member States, ICSC had endeavoured to carry out its responsibility to facilitate the institutions of the system in the efficient delivery of their programmes. In making its recommendations and taking its decisions, ICSC had also endeavoured to take into account the differences among the organizations. In this respect ICSC intended to examine system-wide approaches to introducing a limited degree of flexibility within the common system that took account of the legitimate concerns and unique needs and problems of the different organizations. ICSC stressed that a common system could function effectively only if there was cooperation and goodwill on all sides *[A/46/30, vol. II, para. 8]*. ICSC agreed with the ACC document in identifying one of its most pressing problems as workload management. Recommendation 9 of the ACC report addressed, *inter alia*, the problem of the ICSC workload by suggesting the creation of a committee to set agendas. In ICSC's view, such added machinery would not guarantee a lighter agenda. ICSC perceived a certain incompatibility between the breadth of the issues it was required to cover and the time allotted to cover them. In examining ways to resolve this conflict, ICSC concluded that in future either its agenda must be reduced or its means increased *[A/46/30, vol. II, para. 10]*.

ICSC particularly welcomed the opportunity to address rule 33 of its rules of procedure which concerned the financial implications of its recommendations and decisions. It was convinced of its duty to concern itself with financial implications that exceeded the scope of the routine budgetary process. It believed moreover that assessment of the short and long-term cost effectiveness of its recommendations and decisions was an integral and essential part of its ability to function *[A/46/30, vol. II, para. 17]*.

ICSC also considered a document prepared by FICSA and was in agreement with ACC that it would not be appropriate to pursue the FICSA proposals for the negotiation of conditions of service. ICSC was of the view that the notion of direct negotiations was, by definition, incompatible with the concept of an independent, impartial, technical body such as ICSC that made recommendations and took decisions affecting the common system of organizations. It noted that as far back as 1988 the GA had opposed the FICSA proposal for direct negotiations. The staff rules and regulations of all the organizations provided for staff/management relations and the FICSA proposal was not only contrary to the ICSC statute but was also not in accordance with those staff rules and regulations *[A/46/30, vol. II, para. 48]*.

In conclusion, ICSC attached great importance to maintaining the cohesiveness and unity of the common system. It recognized its own responsibility to contribute to the strengthening of the common system by demonstrating an understanding of the organizations' constraints in carrying out its recommendations and decisions and by exhibiting flexibility, where possible, towards the differing needs of the organizations. ICSC also underscored the role of its interlocutors in improving its functioning and the notion of joint accountability since, in the final analysis, it could only function as effectively as was made possible by the interested parties *[A/46/30, vol. II, para. 18]*.

By **resolution 46/191**, the GA reaffirmed the central role of ICSC in the elaboration of conditions of service for the UN common system and the role of ICSC as the independent technical body responsible

to the GA for the regulation and coordination of those conditions of service. In the exercise of its functions, ICSC should be guided by the principles set out in the agreements between the UN and the other organizations and in the ICSC statute which aimed at a unified international civil service. The GA also took note of the report on the functioning of ICSC and expressed appreciation for the improvements that had taken place. It invited ICSC to continue to enhance its contacts with the governing bodies, executive heads and staff of the organizations in order to strengthen the cohesiveness and unity of the common system, and requested governing bodies to invite ICSC to be represented when matters of conditions of service were considered. Finally, the GA called upon Member States to see to it that the goals and objectives of the UN common system embodied in ICSC decisions and recommendations, as agreed by the GA, were fully reflected in decisions of the governing bodies of the organizations of the UN common system.

1992 **36th session (July/August)**: In the course of the session CCISUA and FICSA informed ICSC that they had decided not to continue participation in deliberations at that session, following the decisions taken by ICSC on the review of the GS salary survey methodology *(see section 2.2.10)*. The representatives of the staff bodies did not attend ICSC meetings with the following exceptions: FICSA for specific issues relating to P salaries, and CCISUA for the education grant and the procedure for the determination of the cost-of-living differential between New York and Washington, D.C. *[A/47/30, para. 9]*.

By **resolution 47/216** the GA regretted the suspension of the participation of the staff bodies in ICSC and urged the resumption of the dialogue between ICSC and the staff bodies, which was of fundamental importance for the achievement of the goals of the common system.

1993 **38th session (July/August)**: ICSC reported to the GA that FICSA and CCISUA had continued suspension of their participation in the work of the 37th session, they participated fully in all working groups established by ICSC as well as in the 17th (May 1993) session of ACPAQ. Since late 1992, and in particular since the 37th session, the Chairman had carried out informal consultations with the representatives of the staff bodies. As a result of those informal contacts, CCISUA decided to resume its participation in the meetings of ICSC and participated fully in the 38th session. FICSA informed the ICSC Chairman in a letter dated 11 July 1993, that until such time as ICSC: (a) accepted the recommendations of UNJSPB at its 45th (special) session held in June 1993; (b) agreed to review the revised GS salary survey methodologies for both HQ and non-HQ duty stations; (c) acceded to the FICSA request for the data and calculations used in the Paris salary survey. Pending a review of the methodology, it would be necessary to withhold implementation of the results of the Paris salary survey. ICSC could not, as a matter of principle, accept any preconditions to FICSA participation in the work of ICSC. It was willing to provide FICSA with data and the details of the relevant calculations pertaining to the Paris survey, but could not agree to its suggestion that the implementation of the survey results be delayed. ICSC nevertheless requested its Chairman to continue informal contacts with FICSA with a view to keeping all channels of communication open, and expressed the hope that FICSA would find it possible to participate fully in ICSC deliberations in the near future *[A/48/30, paras. 9-12]*.

ICSC also reported to the GA that the UNESCO Staff Association (STA, affiliated to FICSA) and the International Staff Association (IPAU, affiliated to CCISUA) had not participated in the pre-survey consultations or the data collection exercise for the Paris GS salary survey. However, IPAU participated in the ICSC deliberations on the survey at the 38th session *[A/48/30, para. 13]*.

By **resolution 48/224** the GA regretted the continued suspension of participation by FICSA in ICSC and again urged ICSC and FICSA to work towards the restarting of the dialogue between them.

1994 **39th session (February/March)**: FICSA resumed its participation in ICSC, stating that during the past year, with goodwill, flexibility and cooperation on both sides, FICSA had been able to voice its reservations on the effectiveness of its participation in ICSC's work in the knowledge that they were not falling on deaf ears *[A/49/30, para. 11]*.

Following the 40th session, FICSA announced its intention to recommend that the Federation suspend participation in ICSC.

By **resolution 49/223** the GA noted with concern FICSA's intention to recommend suspending participation in ICSC. It also noted the concerns expressed by CCISUA in respect of the working methods of ICSC. It requested the staff bodies, the organizations and ICSC to review with all urgency how the consultative process of ICSC could best be furthered and to report to the GA.

1995 **41st session (May)**: ICSC had before it a document (ICSC/41/R.3) prepared by the secretariat, in response to the above request, summarizing past action and recommending improvements of a process-oriented nature in three areas: (a) structuring and management of the dialogue in ICSC; (b) ICSC reports; and (c) agenda management.

At an informal meeting attended by members of ICSC on a personal basis, CCAQ, FICSA and CCISUA presented their views and proposals on the consultative process *[ICSC/41/R.19, paras. 35-55]*. ICSC noted that these fell broadly into two categories: changes in the structure of ICSC or measures designed to improve effectiveness, regardless of structure. ICSC noted that the GA had established ICSC as an independent technical body, representing no interest group. The proposals advanced for structural change would all, in one way or another, change that conceptual underpinning and would alter the very nature of ICSC. In ICSC's view, it was for the GA to decide whether structural changes would meet the stated objective of improving the consultative process. ICSC's interpretation of the GA request was that it had been made with the present structure and framework in mind. ICSC would therefore restrict itself at present to dealing with measures that could effect improvements within the existing framework and revert to the issue of the consultative process at its 42nd session *[ICSC/41/R.19, para. 62]*.

ICSC noted that most of the proposals being discussed had been covered in previous reviews of its functioning. It recalled that it had virtually eliminated its closed executive sessions and confirmed that deliberations and decision-making would take place in open sessions, although it retained the option to resort to closed sessions when they were warranted. Draft decisions would be made available to all parties simultaneously. The practice of establishing tripartite working groups on major issues would continue as needed, contingent upon available resources. In instances where ICSC could not accept a recommendation from a working group, it would provide technical justification for its decision *[ICSC/41/R.19, paras. 65-68]*.

Agenda management was seen as a key factor in enhancing the consultative process. Agendas should be focused, limited to major issues and priorities assigned. How to achieve and maintain that balance among conflicting demands was a problem. Documents of a routine nature need not be introduced and discussed; but they would be placed on the agenda for noting. The biennial approach to ICSC reporting to the GA *(related to the biennialization of the work programme of the 5th Committee -- see section 1.40)* had not helped to rationalize the agenda and work programme management, but the search for solution must continue. Downsizing the number of items dealt with in formal plenary sessions, the use of informal contact/focus groups meeting simultaneously and reporting to the plenary and the assignment of members to follow topics between sessions were considered. A definition of "core" common system concerns should be formulated by the secretariat, organizations and staff

representatives and reviewed by ICSC at its next session. Further options for delegation of authority might be explored *[ICSC/41/R.19, paras. 69-74]*.

Documents and reports should be prepared and submitted in a timely fashion by the secretariat and other bodies. The secretariat should consult with organizations and staff in preparing most documents, in the interests of clarity and transparency. Apprehensions on the part of staff bodies that their papers and interventions were not given sufficient weight should be dissipated through more active participation in the discussion by all ICSC members. Even though it was not a summary record, ICSC's report should be an accurate reflection of the proceedings *[ICSC/41/R.19, paras. 7679]*.

All parties involved in the work of ICSC should be granted access to all documentation and calculations, but documents should remain the responsibility of the secretariat. In order to maintain technical excellence, ICSC urged the organizations to redouble their efforts to provide it with high-calibre candidates. It welcomed the intention announced by CCAQ to treat staff of the jointly-funded secretariats as internal candidates for vacancies in the common system as a means of enhancing mobility. Exchanges of staff for short and longer periods, both on a task-oriented and a more general basis, as suggested by CCAQ, would be mutually beneficial and should be initiated forthwith. Competing priorities had prevented the ICSC from carrying out a management review of its secretariat's organization. The ICSC secretariat, in consultation with the CCAQ secretariat, would draw up terms of reference and would seek a management team from a Member State to undertake the review *[ICSC/41/R.19, paras. 82-83]*.

Efforts to improve the consultative process required constant renewal, for which good will, mutual respect and trust were prerequisites. ICSC sought ways to demonstrate more clearly its responsiveness to the concerns of individual agencies and would report more fully on that endeavour at its next session. Full reciprocity should be established at all levels, and all parties should review their working methods *[ICSC/41/R.19, paras. 84-85]*.

42nd session (July/August): ICSC was informed that in June 1995, CCAQ had held a special meeting of senior CCAQ administrators which dealt, inter alia, with the consultative process. The Chairman had received an invitation to participate in a one-hour exchange of views with the meeting participants, but it had been concluded that that would not allow for a meaningful discussion of the issues. He therefore had not attended the meeting, indicating that ICSC would have preferred to have been more fully and openly associated with the review of issues that directly affected ICSC *[A/50/30, para. 16]*.

ICSC's consideration of this issue at its 42nd session reviewed many of the aspects and issues considered at the 41st session. With regard to agenda management, a consultative committee met during the 42nd session and made recommendations to ICSC on the agenda for 1996 *[A/50/30, para. 39 and annex III]*. ICSC recognized that improved working methods could also be achieved by more flexibility in the length and timing of ICSC sessions. It therefore endorsed the secretariat's proposal to hold one long and one short session during 1996, noting that the proposal envisaged a reduction in documentation requirements that would result in savings for Member States *[A/50/30, para. 41]*.

In the light of its consideration of the item at both the 41st and the 42nd sessions, ICSC decided to implement the measures to improve its effectiveness outlined in its annual report *[A/45/30, paras. 37-50]*. These included a new formula for the timing and length of its sessions and for the production of its report. ICSC decided that in 1996 it would hold a 4-week session in the spring and a 1- to 2-week session in the summer, depending on need as defined by the agenda. If that formula was found to be effective, it would be adopted in future for even-numbered years (personnel years as defined by the GA's 5th Committee). The report at the spring session would consist of draft decisions with their rationales, where applicable; at the summer session ICSC would have before it the full report for

adoption. In odd-numbered (non-personnel) years, ICSC would in principle hold a single session of approximately one month's duration. The new arrangements would be introduced on a trial basis and remain under constant review *[A/50/30, paras. 54-56]*.

During the course of the 42nd session, CCISUA informed ICSC that it had decided not to continue its participation in ICSC deliberations at that session. Subsequent to this announcement, CCISUA was present only during discussions on post adjustment *[A/50/30, para. 9]*.

At the conclusion of the 42nd session, the Chairman of CCAQ read out a statement of concern regarding the adoption of the annual and sessional reports, which he requested be included in the report *[ICSC/42/R.19, para. 63]*.

By resolution **50/208**, the GA: (a) reaffirmed the validity of the ICSC statute and in particular article 6 thereof whereby its members shall perform their functions in full independence and with impartiality; (b) welcomed the decision by ICSC to implement a number of measures to improve its effectiveness and to introduce, on a trial basis, revised arrangements for the timing and length of its sessions, and in that context, requested ICSC to enhance further the transparency of its work, taking into account the relevant articles of the statute and its rules of procedure; (c) called upon Member States and the UN/SG, in the context of Articles 3 and 4 of the ICSC statute, to ensure through the selection process of candidates for appointment that ICSC had the requisite technical skills and broad managerial experience among its membership; (d) noted that the representatives of CCISUA and FICSA had both suspended participation in the work of ICSC, and called upon these bodies to resume participation in the work of ICSC in a spirit of cooperation and non-confrontation; (e) requested ICSC to ensure that its reports contain clear and readily understandable explanations of its technical recommendations.

1996 In **resolution 51/216**, the GA: (a) noted with appreciation the recent developments regarding the resumption of the dialogue between ICSC and the staff associations, as expressed in relevant statements in the Fifth Committee; (b) reiterated its request that CCISUA and FICSA resume participation in the work of ICSC in a spirit of cooperation and non-confrontation. In that same resolution the GA, recognizing that an audit of the work of ICSC had not been undertaken since its establishment, called upon the Board of Auditors, without prejudging its programme of work, to conduct a management review of all aspects of the work done by the ICSC secretariat in time for the submission of a report thereon to the GA during its 52nd session.

1997 **45th session (April/May)**: Upon CCISUA's request for the establishment of a tripartite working group to review the functioning of the Commission, ICSC agreed to the establishment of the Working Group on the Consultative Process and Working Arrangements. On the date of the first scheduled meeting (7 July 1997), CCISUA informed ICSC that it requested postponement of the meeting; while FICSA had made the same request a couple of days earlier. A meeting with complete representation was subsequently scheduled for January 1998 *[A/52/30, paras. 28-40]*.

In its **resolution 52/216**, the GA recalled its earlier request to CCISUA and FICSA to resume their participation in the work of ICSC in a spirit of cooperation and non-confrontation, and took note with appreciation of the progress made through the establishment, by ICSC, of the Working Group on the Consultative Process and Working Arrangements.

1998 The above Working Group, which was composed of members of ICSC, representatives of CCAQ and representatives of CCISUA and FICSA, met three times during the first half of 1998. The Group was assisted in its deliberations by an outside facilitator.

The Working Group made recommendations relating to five major areas: (a) agenda management, including the identification of issues; (b) data gathering, with a view to enriching the information

available; (c) consideration of items and decision-making by ICSC; encompassing also the design and content of ICSC reports; (d) appointment of ICSC members; and (e) roles of the Executive Secretary and the secretariat, including selection and appointment. Recommendations regarding the first three areas related to changes in ICSC rules of procedure.

ICSC considered that the Working Group=s report should be reviewed bearing in mind two interlinked aspects of its overall mandate, ICSC=s independence and its responsibility for the regulation and coordination of the conditions of service for the common system.

With regard to agenda management, ICSC decided that "under the direction of the Chairman, the Executive Secretary shall, in accordance with the statute and in consultation with the members of the Commission, representatives of the executive heads and staff representatives, draw up an annual proposed programme of work and the provisional agenda for each session, identifying the key issues, in order of priority, in a manner that ensures the greatest efficiency in the management of the agenda" *[A/53/30, para. 15]*.

With regard to information gathering, ICSC decided that "the secretariat shall consult with the members of the Commission and the representatives of the organizations and staff on all aspects of the information-gathering process, including the scope of the data and the methodologies to be used for their collection. On the basis of the available data, the secretariat, following full consultations with all parties mentioned above, shall prepare the documentation for the first session of each year. This is to be made available to the participants, in all languages, at least 10 working days before their consideration. Documents that have not met any of the above requirements will only be examined after taking into consideration any views of CCAQ and the representatives of the staff" *[A/53/30, para. 16]*.

Regarding working methods, ICSC decided that "unless otherwise decided, for all key issues, the Commission shall establish joint working groups composed of members of the Commission, representatives of administrations and of staff bodies, at the first regular session each year. Documents prepared by the secretariat following the procedure outlined in rule 8 above shall form the background from which the Commission and the representatives of the organizations and staff, and/or the working groups established by the Commission, shall address the issues on the agenda. The report of the working group and the documents submitted to it shall form the basis of the deliberations of the Commission in the decision-making process" *[A/53/30, para. 17]*.

Regarding consideration by/decision-making of the Commission, ICSC decided that "the Executive Secretary shall prepare a draft report on the work of each session of the Commission, setting out, *inter alia*, any substantive determinations adopted by the Commission, as well as the principal reasons therefore, and the essence of the debates which shall include the views of all parties" *[A/53/30, para. 18]*.

ICSC also decided that "the Commission shall submit to the General Assembly an annual report which shall include the background to the matter being recommended, a summary of the views expressed by all participants, the decisions and recommendations of the Commission and the reasons therefore, whether or not the decisions and recommendations were reached by consensus, and the positions adopted by the staff representatives and CCAQ, where they differ from the conclusions of the Commission. The report shall also be transmitted to the other governing organs through the executive heads, as well as to the Administrative Committee on Coordination, the Federation of International Civil Servants= Associations, the Coordinating Committee for International Staff Unions and Associations of the United Nations System, the staff representatives and the United Nations Joint Staff Pension Board" *[A/53/30, para. 19]*.

ICSC observed that its statute did not provide ICSC with jurisdiction over appointments of its members; that lay within the competence of the UN/SG and the GA.

ICSC concurred with the Working Group=s emphasis on an independent secretariat which possessed high technical competence. ICSC decided that "the secretariat may be asked to present technical data and various options and their implications and any other information/documents which the Commission may require to enable the Commission to take a decision on the basis of all material, including the views of the staff associations and CCAQ" *[A/53/30, para. 21].*

With respect to the Working Group=s proposal on linguistic balance in the secretariat, ICSC concurred that it was essential for international staff to be proficient in the working/official languages of their organizations and for ICSC secretariat staff to communicate with members of ICSC and with the representatives of the organizations and the staff. It was observed that all working languages were represented among the staff of the secretariat, many of whom spoke two or more working languages. However, while the linguistic ability of staff was important, so too were technical and managerial competencies. The Working Group=s proposal that vacancy notices for senior positions include ?standard linguistic requirements? was already de facto implemented; it was not limited to vacancies for senior staff, but applied to all professional vacancy notices *[A/53/30, para. 62].*

In its **resolution 53/209**, the GA recalled that by its resolution 50/208 it had reaffirmed the statute of ICSC and in particular article 6 thereof, whereby its members should perform their functions in full independence and impartiality. The GA emphasized that the responsibility for the decisions taken by ICSC rested solely with the members of ICSC. It welcomed the progress made by ICSC in promoting a spirit of constructive cooperation and flexibility towards improving working relations with the staff bodies, and took note of the changes approved by ICSC. The GA requested ICSC to monitor the progress of the implementation of the revised rules of procedure and to report thereon at the GA's 57th session.

In **resolution 53/209**, the General Assembly recalled its resolutions 50/208, 51/216 and 52/216 concerning, *inter alia*, the consultative process and working arrangements of the Commission. Recalling also that by its resolution 50/208 the GA reaffirmed the statute of the Commission, in particular article 6 thereof, whereby its members shall perform their functions in full independence and with impartiality, (a) it emphasized that the responsibility for the decisions taken by the Commission rests solely with the members of the Commission; (b) welcomed the progress made by the Commission in promoting a spirit of constructive cooperation and flexibility towards improving working relations with the staff bodies; (c) took note of the changes approved by the Commission to its rules of procedures and other procedural changes; (d) noted that the changes approved by the Commission to its rules of procedure could enable all parties to ensure that their views are reflected during all phases of the consideration of all issues; (e) requested the Commission to monitor the progress of the implementation of the revised rules of procedure and to report thereon to the General Assembly at its fifty-seventh session.

The General Assembly further recalled its request to the Board of Auditors to conduct a management review of all aspects of the work done by the secretariat of the Commission in time for the submission of a report thereon to the General Assembly at its fifty-second session. It also took note of the report of the Board of Auditors on the management review of the secretariat of the Commission and the response of the Commission [A/53/30, para 37]. It further requested the Board of Auditors to conduct audits of the secretariat of the Commission on a periodic basis, in accordance with financial regulation 12.5 of the Financial Regulations and Rules of the United Nations and the statute of the Commission.

1999 In **resolution 54/238**, the General Assembly, in Part V, Review of the International Civil Service Commission, recalled paragraph 22 of its resolution 52/12B to examine a recommendation of the Secretary-General on initiating a review of ICSC. It considered a note [A/54/483] on the review by the Secretary-General and emphasized that the review process should be impartial and transparent and that the Commission should participate fully in the process. It decided to revert to the consideration of the modalities of the review, including the Secretary-General's proposal, at the main part of its fifty-fifth session, subject to the submission of the information requested in paragraph 22 of resolution 52/12B. It requested the Secretary-General to include the following elements in the information to be submitted to the General Assembly: (a) concrete and specific reasons, if any, for such a review; (b) identification of specific problems, if any, to be addressed; (c) objectives to be achieved by the review; (d) possible impact on the common system of such a review; (e) information on progress achieved as a result of previous reviews of the working methods and functioning of the Commission.

2000 In **resolution 55/223,** the General Assembly in Part IV, Strengthening the International Civil service, decided to defer consideration of the reports of the Secretary-General with a view to taking a decision on strengthening the international civil service at the first part of its resumed fifty-fifth session.

2006 In its **resolution 61/239** of December 2006, the General Assembly, in Part III, Strengthening of the international civil service, emphasized that the capacity of the Commission as a source of technical expertise and policy advice should be further strengthened. The Assembly stressed that the work of the Commission should be given the importance and attention it deserved by the governing bodies of the organizations of the common system. The General Assembly decided to institute a limit of two full terms for the positions of Chair and Vice-Chair of the Commission, for those appointed after 1 January 2008. The Assembly encouraged member states to achieve a greater gender balance in the selection of members for the Commission and urged member states when proposing candidates for membership in the Commission to take into account the qualifications and experience outlined in article 3 of its statute. The General Assembly stressed the importance of ensuring that candidates had managerial, leadership or executive experience, which should include knowledge of at least one of the following fields: (a) human resources management principles and practices; (b) organizational design and change management concepts and practices; (c) leadership and strategic planning concepts and practices; and/or (d) international and global issues: political, social and economic. The Assembly encouraged the Commission to continue to consider its working methods in consultation, where appropriate, with representatives of the staff and the organizations of the common system.

2007 **65th session (July):** Immediately prior to its sixty-fifth session, members of the Commission and members of its secretariat held a retreat to consider ways to further strengthen the Commission and to maximize its ability to support the General Assembly in guiding the common system. It sought to be more proactive through improved relationships with its partners and a focus on strategic planning. It also examined how it could improve its functioning by streamlining its working methods, using existing resources more effectively and making its reports to the General Assembly more concise and easier to understand. It further committed to responding to requests of the General Assembly in a more timely manner.

There was strong unanimous commitment to change and a number of important goals were identified, notably to:

(a) Refocus the role of the Commission as both a regulatory and a coordinating body, within its statute, recognizing that the common system required both coherence and flexibility;

(b) Develop and/or strengthen its roles in:

(i) Strategic planning of the work of the Commission;

(ii) Policy development and guidance;

(iii) Coordination among stakeholders;

(iv) Monitoring/compliance;

(v) Regulation;

(c) Streamline and simplify current activities to achieve these objectives within current resources;

(d) Develop an action plan aimed at building a more efficient, effective and strategic Commission by:

(i) Building a more solid personnel database for analysis and decision-making through use of the Enterprise Resource Planning systems and improving the exchange of information and data between the Commission and the organizations of the common system;

(ii) Maintaining an inventory of best practices both within and outside the common system.

The Commission gave priority to issues of high value to the organizations and to the future of the common system. It also committed itself to improving coordination with all its stakeholders to achieve more coherent and effective human resources management across the common system. The Commission developed an action plan designed to streamline and simplify current activities and to achieve these goals. It was agreed that optimal use of the Commission's time would be made by:

1. Maintaining the existing commitment of 10 weeks over two years of Commissioners' time in support of higher value-added activities;
2. Holding shorter formal meetings (e.g., two weeks);
3. Having more informal meetings, task groups, retreats, etc.

The Commission, in close cooperation with its partners, would put in place, over the following 24 months, the reforms it had decided upon and would conduct annual evaluations of the progress made. [A/62/30 paras. 67-72]

In **resolution 62/227** the General Assembly in Part II Strengthening of the international civil service, reaffirmed that the staff of the United Nations was an invaluable asset of the Organization, and commended its contribution to furthering the purposes and principles of the United Nations; It welcomed the steps taken by the Commission to strengthen its role and improve its functioning and encouraged the Commission to continue this process.

SECTION 1.40
PROGRAMME OF WORK

1975 **1st session (May)**: ICSC agreed that it should begin at its second session the review of the salary system but also examine any particular aspects singled out by the organizations and the staff as requiring urgent attention, i.e. possible amendments to the methodology of the PA system and education costs for expatriate staff *[A/10030, para. 9]*.

2nd session (August): ICSC indicated in its first annual report to the GA its intentions regarding its programme of work for 1977 and for the progressive assumption of its full statutory responsibilities i.e.: (a) salary scales for the GS category (article 12); (b) job classification standards (article 13); (c) recruitment (article 14) and career development, staff training and evaluation of staff (article 14); (d) development of common staff regulations (article 15). ICSC would begin to address these issues in 1977 with preparatory work to be carried out in 1976 *[A/10030, paras. 85-90]*.

ICSC's plans were noted by the GA in **resolution 3418 A**(XXX) which also referred three other matters to ICSC: (a) a study of the questions of career development and promotions in relation to proposals in the UN budget for the reclassification of posts (mainly as a means of providing promotion opportunities to the incumbents); (b) the principles and criteria underlying the determination of allowances and benefits payable to GS staff; (c) the need for the provision of day-care facilities for children of the staff of UN staff.

1976 **4th session (June/July)**: In its report to the GA on the review of the salary system, ICSC had reserved a number of points for further study which entailed major studies: (a) the review of pension benefits as a part of the package of remuneration (to be made in collaboration with the UNJSPB); (b) the review of conditions of service in the field. ICSC therefore decided to establish at its 5th session (February/March 1977) the guidelines and modalities for carrying out these two studies, the conclusions of which would, if possible, be examined at the 6th session (July/August 1977) so that they could be presented to the GA at its 32nd session. The remaining points arising from the review of the salary system would be considered at the 6th session on the basis of studies to be prepared by the ICSC secretariat in consultation with the organizations and staff representatives, or subsequently under articles 13 and 14 of its statute *[A/31/30, paras. 24 and 25]*. Those points were: (a) "local (or national) professional" posts and other special categories not covered in the review (e.g. UN field service); (b) possible changes in the number and periodicity of within-grade increments; (c) development of a methodology for computing "total compensation"; (d) the practice of certain Member States of paying supplements to UN remuneration to certain of their nationals; (e) the proposals of FICSA regarding the repatriation grant; (f) language incentives; and, in relation to articles 13 and 14 of the statute: (g) policy regarding promotions from the GS to the P category (article 14 (d)); (h) inclusion in one category of posts which should properly be classified in the other (article 13); (i) extension of the P-6 grade; (j) treatment in the classification and salary systems of certain specialist occupational groups (for example, medical doctors).

ICSC was informed of resolutions adopted by the World Health Assembly at its 29th session and by the Governing Body of the ILO at its 20th session, expressing the view that ICSC should assume its functions under article 12, para. 1, (GS salary surveys) as soon as possible, particularly with respect to Geneva. ICSC decided, in accordance with para. 4 of article 12, to assume its functions under article 12 in respect of HQ duty stations from the close of its 4th session. It placed on the agenda of its 5th session (February/March 1977) consideration of the methodology to be applied in establishing salaries of the GS category; decided on plans for the studies to be made between the 4th and 5th sessions in preparation for this item; and authorized the Chairman to consult with members to identify the issues to be taken up by ICSC and, if possible, suggest alternative solutions [so as to be able to advance the

date at which ICSC would be in a position to concern itself with the situation in particular duty stations] *[A/31/30, paras. 28 and 29]*.

ICSC's attention was drawn to a particular question concerning the recruitment of GS staff at the headquarters of FAO, submitted to it by the FAO Union of GS staff under rule 6, para. 2 (g) of the rules of procedure *(see ICSC/1)*. It decided to revert to that question in the context of its review of the conditions of service of the GS category *[A/31/30, para. 32]*.

By **resolution 31/141 A**, the GA approved the intention of ICSC to assume forthwith its functions under article 12 of its statute regarding GS salaries and requested it to submit its conclusions and recommendations by the 32nd session of the GA. This request was amplified in **resolution 31/193**, which requested ICSC to establish urgently the method by which the principles for determining conditions of service in the GS category at Geneva should be applied; to organize a survey of local employment conditions in Geneva; to make recommendations as to the appropriate salary scales; and to inform the GA at its 32nd session of the outcome.

By **resolution 31/141 B**, the GA requested ICSC: (a) to report on the feasibility of establishing a modified system of PAs, taking into account the views expressed in its 2nd annual report *[A/31/30, para. 229]*; (b) to carry out the comparison of "total compensation" between the comparator civil service and the UN salary system at all grade levels and to report its findings to the GA no later than at its 33rd session; (c) to re-examine at the 31st session: (i) the conditions for the provision of terminal payments (for example, repatriation grant, termination indemnities), in particular on retirement, and the possibility of establishing a ceiling for the maximum aggregate of entitlements to these payments; (ii) the possible introduction of an "end-of-service" grant with particular attention being given to the conditions in which such payment might be justified; (iii) the need for an allowance for post secondary education of children of expatriate staff and, in particular, the need for an allowance to cover education in countries other than the home country of the staff member; (d) to consider and propose to the GA at its 32nd session measures by which the maximum amount of the lump sum payable to the dependent spouse or dependent child of a staff member who died in service would be aligned on the scale for termination indemnities approved in the present resolution.

1977 **5th session (February/March)**: ICSC incorporated the above additional studies requested by the GA into its work programme for 1977-1978 *(ICSC/R.61/Add.1)*. It agreed to give priority to the study of the feasibility of establishing a modified system of PA; ACPAQ was requested to study the technical aspects at its July 1977 session and to report thereon to ICSC at its 6th session *[ICSC/R.77, para. 14]*.

By **resolution 32/200**, ICSC was requested to inform the GA at its 33rd session of the results of the review of the relationship between the levels of remuneration of the comparator national civil service and of the UN common system, which should include in particular the feasibility of establishing a modified system of PAs, and to report on such steps as it might have taken to bring about appropriate corrective action either under the authority and with the means already at its disposal or by submitting a recommendation to the GA *(see section 2.1.70)*. By the same resolution, the GA requested ICSC to advance to 1980 the next GS salary survey in Geneva.

1978 **7th session (February/March)**: In reviewing its work programme for 1978-1979, ICSC gave priority to those questions on which the GA had requested it to report in 1978, while maintaining on its agenda several other questions relating to the review of the salary system which it had itself previously noted as urgent and important. It reaffirmed its conviction that under the pressure of more immediate remuneration problems it should not neglect its long-term functions under articles 13, 14 and 15 of its statute. A number of questions which had previously been scheduled for study in 1978 were of necessity deferred until later years *[A/33/30, para. 9]*.

8th session (July): In considering its programme of surveys under article 12, ICSC noted the request made by the GA to advance from 1981 to 1980 the date of its next survey in Geneva. ICSC found it most desirable to have settled at least the outlines of a general methodology before making a second survey in Geneva and to be able to take into account its experience of surveys in all the other headquarters duty stations. It approved an accelerated schedule with surveys in London in the second half of 1978; Montreal and New York in the first half of 1979 and Rome in the second half of 1979. Preparations for the second Geneva survey would begin in the second half of 1979 and recommendations to the organizations would be made in September 1980. A first outline of a general methodology would be considered at the 9th session (February/March 1979) to the completed at the 10th and 11th sessions *[A/33/30, paras. 298-300]*.

By **resolution 33/119**, the GA hoped that ICSC would be able to assume progressively its functions under articles 13 and 14 of its statute and make progress in 1979 in its consideration of those aspects of personnel policy other than remuneration mentioned in its annual report *(A/33/30, paras. 309 to 329)*, in particular, career development and those other aspects which had occupied the GA's attention at its 33rd session. The GA: (a) approved ICSC's intention to keep under review the effects of currency instability upon the common system of salaries and allowances, to continue its efforts to eliminate possible anomalies in PAs at certain duty stations and to seek to improve the system; (b) also approved ICSC's intention to make, as a matter of priority, a comprehensive examination of the functioning, methods of establishment and adjustment and appropriate level of pensionable remuneration *(see section 5.10)*; (c) requested ICSC to continue its study of grade equivalencies between the UN common system and the comparator national civil service, in order to determine the proper equivalent grades in the comparator system for the UN grades of D-2 and ASG, and to report its findings to the GA at its 34th session; (d) further requested ICSC to study the feasibility of identifying posts of equivalent functions and responsibilities for the post of USG and to report to the GA at its 34th session; (e) requested ICSC to give further study to the question of an end-of-service grant payable to staff members with fixed-term appointments in the context of its examination of the relationship between career staff and fixed-term staff in the common system, ensuring that such a grant did not become a form of pre-pension plan, and make recommendations to the GA not later than its 35th session.

1979 **9th session (February/March)**: ICSC noted the above requests of the GA and drew up a list of the main questions to be included in its work programme for 1979-1980 *[annexes III and IV of ICSC/R.168] [ICSC/R.168, para. 26]*. It gave priority to questions on which the GA had requested it to report in 1979. At the same time, it maintained on its agenda several other question relating to the review of the salary system while a number of other questions which had previously been scheduled for study in 1979 were of necessity deferred until later years *[A/34/30, para. 7]*.

By **resolution 34/165**, the GA: (a) expressed its satisfaction with the actions taken by ICSC under articles 13 and 14 of its statute and urged ICSC to continue its work under its long-term functions; (b) requested ICSC to begin urgently a fundamental and comprehensive review of the purposes and operation of the PA system *(see section 2.1.40)*; (c) requested ICSC to examine the possibility of installing a contributory system of death grant benefits.

By **resolution 34/221** (Pension questions), the GA: (a) requested ICSC and UNJSPB to conclude in 1980 their comprehensive examination of the functioning, methods of establishment and adjustment and appropriate level of pensionable remuneration *(see section 5.10)* and to that end; (b) invited ICSC and UNJSPB to take full account of the views expressed on this and related matters in the Fifth Committee during the 34th session of the GA.

1980 **11th session (February/March)**: ICSC gave priority the GA's requests regarding the completion of work on pensionable remuneration and the comprehensive review of the PA system. It was also

committed to carrying out a second review of best prevailing conditions in Geneva in addition to completing work on such reviews in New York and Rome in 1980. The IAEA had requested ICSC to undertake a review in Vienna but the question could only be taken up at the 13th session at the earliest. With respect to the proposal for establishment of an end-of-service grant, which the GA had referred back to ICSC with the request that it report anew on the matter in 1980, ICSC decided to report to the GA that the question had to be postponed. ICSC included the item of the death grant on the agenda of the 12th session and decided to pursue its work on longer-terms problems such as items relating to conditions of service in the field and to its responsibilities under articles 13 and 14 of the statute. It established its revised programme of work for 1980 and following years *[see annex III of ICSC/R.212] [ICSC/R.212, paras. 15-19]*.

In **resolution 35/214 A**, the GA: (a) noted with appreciation the continuing efforts of ICSC to review the application of the Noblemaire principle, and invited ICSC to complete its examination as soon as possible, especially with a view to achieving comparability of total compensation of UN remuneration of the P and higher categories with that of the selected comparator national civil service and to ascertaining whether the present comparator is still the highest paid civil service; (b) requested ICSC to intensify and speedily to conclude its fundamental and comprehensive review of the purposes and operations of the PA system as requested in GA resolution 34/165 (1979) by fully taking into account the causes of possible anomalies, and to submit the results of the review to the GA at its 36th session; (c) welcomed ICSC's willingness to advise Member States, upon request, in developing a system for adjusting the salaries of their expatriate staff, provided that this assistance did not impinge upon the exercise of ICSC's functions under its statute and that no additional resources would be required for this assistance; (d) requested ICSC to continue to study the general principles and methodology for surveys to determine the conditions of service of the GS and other locally recruited categories, including the determination of gross salaries, taking into account the views expressed in the Fifth Committee at the 35th session of the GA; (e) requested ICSC to review the possibility of extending the education grant to all internationally recruited staff, wherever they may serve; (f) noted ICSC's intention to study further financial incentives for staff members serving in the most difficult duty stations; (g) requested ICSC to begin as soon as possible the review of the UN language incentive scheme; welcomed the examination of the relationship between the staff assessment system and the Tax Equalization Fund, as proposed by ICSC; (h) requested ICSC to keep under review the possibility of establishing a cost-effective contributory system of death grant benefits and to submit the results of the review to the GA at its 37th session.

In **resolution 35/214 B**, the GA invited ICSC to keep under review the matter of staff assessment for all categories of staff and to report to the GA as appropriate.

By **resolution 35/210** (Personnel questions), the GA: (a) requested ICSC and JIU to study further the subjects of the concepts of career, types of appointment, career development and related questions and to report separately thereon to the GA at its 36th session; (b) invited ICSC and JIU to cooperate in the drafting of these two reports.

By **decision 35/447**, the GA took note of the recommendations of ACPAQ in para. 37 of its report *(A/35/720)* and requested ICSC, in cooperation with UNJSPB, to give high priority to the elaboration of a special index for pensioners, including the impact of national taxation, and to report thereon to the GA at its 36th session.

1981 **13th session (February/March)**: ICSC recognized four broad themes in which its activities had evolved: (a) the coordinated and systematic application of the Noblemaire principle (relating to articles 10, 11 and 13), tying together the various subjects relating to the remuneration of the P and higher categories, together with the subtheme of the review of the PA system; (b) the determination of

conditions of service of the GS and other locally recruited categories through the application of the principle of best prevailing local conditions according to a general methodology (relating to articles 10, 11, 12 and 13); (c) the establishment and implementation of common job classification standards for all categories (relating to article 13); (d) the development of sound policies for the interrelated aspects of recruitment, training, career development, performance appraisal and promotion (relating to article 14), all of which were important components of the organizations' personnel management policies, in respect of human resources development. The revised programme of work for 1981-1983 *[ICSC/R.267, annex III]* was adopted by ICSC with the understanding that it would be flexible and subject to review and possible modification at the 14th session. ICSC requested its secretariat to present an updated work programme at the 14th session, in line with the budgetary proposals also to be submitted then, and to include a paper detailing the nature of the ongoing activities of the secretariat *[ICSC/R.267, para. 15]*.

14th session (July): ICSC considered that the programme and resources of the Cost-of-Living Section should be increased to enable it to improve the methodology of cost-of-living measurements and decided to review further the need for improvements in its computer facilities. It did not place a high priority on the study of the expatriate component of total compensation, nor did it have the resources required for such a costly undertaking. It did not favour starting the study of another possible comparator country in the 1982-1983 biennium unless the GA were to give such a study high priority and authorize funds for the purpose. ICSC reconfirmed the importance of its long-term functions under articles 13 and 14 of its statute as essential to the development of a unified international civil service. It noted in this regard that the GA supported ICSC's work in this area and requested that particular attention be given to career concepts, types of appointment, career development and related questions. It decided to keep to its schedule of GS surveys and to maintain the momentum of its review of general methodology for surveys of best prevailing conditions of employment at headquarters and other duty stations. ICSC decided to programme its work among the various sessions in order to optimize the use of its limited resources and enable the secretariat to prepare the necessary documentation for its sessions well in advance and with the requisite consultations with organizations and staff. Furthermore, it decided to exercise the utmost caution in accepting other unforeseen activities which could not be met from the existing staff and other resources. ICSC adopted its revised work programme for 1982-1983 *[ICSC/R.204, annex VII)*.

By **resolution 36/223**, the GA requested ICSC to give high priority to the completion of the following studies and to report on them at its 37th session: (a) the broad principles for the determination of conditions of service with particular reference to concepts of career, types of appointment, career development and related questions, taking into account the views expressed by delegations in the Fifth Committee, all related studies and the relevant reports of JIU; (b) the improvement of the comparison of total compensation between the comparator civil service and the international civil service, taking into account all relevant elements, including the level of pensions, but excluding expatriate benefits applicable to staff members in the P and higher categories in the comparator civil service; (c) the fundamental and comprehensive review of the purposes and operation of the PA system with a view to avoiding distortions in the system and ensuring equity; (d) the elaboration of a special index for pensioners, in collaboration with the UNJSPB, in accordance with GA decision 35/447 (1980).

The GA also requested ICSC to undertake or continue studies on the following questions: (a) general principles and methodology for surveys to determine the conditions of service of the GS and other categories of locally recruited staff members, including staff serving at field duty stations; (b) a review of dependency allowances for all categories of staff and a review of the scope and purpose of the education grant; (c) development of interagency cooperation in the field of training with a view to the more efficient and economic use of personnel resources in the common system; (d) a thorough evaluation, in close collaboration with the organizations, of the utility of current and proposed training

activities in the UN system, with special reference to management and related training; (e) a general review of staff assessment for the equitable treatment of all categories of staff at all duty stations; (f) a comprehensive study of the question of supplementary payments to international civil servants and all related matters.

1982 **15th session (March)**: ICSC noted the four high-priority items of resolution 36/233, all of which were on the work programme for 1982. It agreed to take up conditions of service in the field at the 16th session. ICSC instructed its secretariat to produce an updated work programme for 1982-1983 *(ICSC/15/R.26, annex III)* which took into account the decisions it had taken and the various views expressed by the interested parties *[ICSC/15/R.26, paras. 19, 21 and 25]*.

By **resolution 37/126**, the GA (a) requested ICSC to review further the basis for the determination and level of remuneration of the P and higher categories, with a view to making recommendations thereon to the GA at its 39th session and thereafter periodically on the level of remuneration; (b) noted that ICSC had started a comprehensive review of conditions of service in the field; (c) requested ICSC to keep the question of the education grant under review, particularly in regard to the situation of officials subject to rotation between HQ and other duty stations and taking account of the views pressed by delegations during the debate; (d) requested ICSC to complete on an urgent basis its study of the need for a rental subsidy arrangement in HQ duty stations, particularly with regard to newcomers and staff transfers, and report on action taken to the GA at its 38th session; (e) requested ICSC to examine the need for raising the ratio of contributions by organizations of the UN common system for health insurance of staff members and the question of applying appropriate retroactivity; (f) noted ICSC's intention to undertake an evaluation of competitive examinations and other elements of recruitment policy; (g) requested ICSC to pursue its programme under articles 13 and 14 of its statute as scheduled.

1983 **17th session (March)**: ICSC took note of the GA's requests and made appropriate adjustments to its work programme. The changes were reflected in the revised work programme for 1983-1985 *[ICSC/17/R.28, annex III] [ICSC/17/R.28, para. 30]*.

1st special session (November): ICSC decided to hold a special session following the 8th resumed session of ACPAQ. It examined the ACPAQ report, the results of the survey of best prevailing conditions of service in New York and the non-resident's allowance.

The GA in **resolution 38/232**: (a) requested ICSC to complete the study of the equivalency between the higher grade levels of UN systems and the Senior Executive Service of the US Federal Civil Service and report thereon to the GA at its 39th session; (b) noted the progress made concerning the comparison of total compensation based on non-expatriate benefits applicable on both sides, and requested ICSC to inform the GA, on an annual basis, on the margin between the remuneration of UN employees and those of the US Federal Civil Service on this total compensation basis; (c) noted the introduction by ICSC, with effect from 1 April 1983, of a rental subsidy scheme for staff in the P and higher categories at headquarters and other duty stations not previously covered by a subsidy scheme and requested ICSC to monitor this rental subsidy scheme with a view to ensuring both its equity and its effectiveness; (d) requested ICSC to conduct a study of the education grant, the purpose of which was to facilitate a child's reassimilation in the staff members's home country, and to report on the results of the study to the GA at its 39th session; (e) requested ICSC to undertake a comprehensive review of after-service health care coverage with particular attention to locally recruited field staff; (f) further requested ICSC to pursue its mandate with regard to the development of common training, recruitment and promotion policies for the organizations and to report thereon to the GA as each phase of its studies was completed; (g) noted the progress made by ICSC in its review of conditions of service in the field and requested ICSC to keep the GA informed of further developments in its review;

(h) requested ICSC to report to the GA at its 39th session on the question of longevity and merit steps in the various grade levels.

By **resolution 38/235**, the GA: (a) requested ICSC, as a matter of priority, to study the possibility of providing a range of health insurance plans, including practices in the comparator service, both basic and comprehensive, with deductible clauses, as well as health maintenance organization plans, which could be made available, at lower costs, to contributors, and to report thereon to the GA at its 39th session; (b) to study the following related matters and to report thereon, preferably to the GA at its 39th session and no later than at its 40th session: (i) fixing a maximum rate of share to be borne by the organization and the contributor; (ii) making participation in a health insurance plan or plans of the organization mandatory, especially to those who were not covered by other plans.

1984 **19th session (March)**: In considering the above requests, ICSC decided to request CCAQ to review two questions: the maximum share of health insurance contributions to be borne by organizations and whether health insurance should be mandatory for all staff members. It also decided to study the problem of after-service health care, in particular, that of locally recruited staff, at its 21st session *[ICSC/19/R.22, para. 22]*.

In addition, ICSC decided to: (a) request ACPAQ to review outstanding aspects of the special index for pensioners and report thereon to ICSC in time for it to make recommendations to the GA at its 40th session; (b) review the mandatory age of separation again at a later stage yet to be determined; (c) review at an appropriate time the timing and financing of the next stages of its comparison of total compensation, which would include expatriate benefits; (d) note that the UN/SG would review the use of language incentives within his organization and report to the GA at its 39th session, and that, in the meantime, ICSC would continue its study of the item; (e) review the education grant in 1985 at its 21st or 22nd session; (f) review at its current session the proposed amendment of article 6 of its statute *[ICSC/19/R.22, para. 23]*.

With regard to pension matters, ICSC decided that it would have a preliminary review at the current session of those issues of concern to it identified for study in cooperation with UNJSPB in **resolution 38/233**, including the question of the possible deferral by the GA of adjustments in pensionable remuneration which might become due in 1984. The GA decision underscored the need for ICSC, in collaboration with the Pension Board, to complete studies relating to the automatic adjustment mechanism by its 20th session. ICSC was of the view that in order to undertake a comprehensive study which would address the concerns of the GA it would require detailed information regarding the basis used for the UN pension system as well as the events which had led to the institution of the weighted average of PAs (WAPA) system. It would also require data pertaining to the evolution of WAPA, the US consumer price index (CPI), the amounts of gross salaries and pensionable remuneration over a period of time, and data pertaining to the evolution of real values of UN pensions in local currencies at the seven HQ locations and some of the major field duty stations. ICSC therefore requested its secretariat to collect the information referred to above for submission at the 20th session. It also requested its secretariat to collect information, to the extent possible, on the pension schemes of the civil services at the seven HQ locations, in particular, data pertaining to income replacement values of pensions after a number of years of service *[ICSC/19/R.22, paras. 24-26]*.

As regards the comparison of UN pensionable remuneration amounts and pension benefits with those applicable in the US Federal Civil Service, ICSC reiterated its earlier view that such comparisons should most appropriately be undertaken as part of its total compensation comparisons, in the first instance, and not at the level of individual benefits. If there were significant differences in the levels of pension benefits calculated within the framework of total compensation comparisons, it would undertake further studies. ICSC also decided that as part of that comprehensive study it would

undertake an examination of the effects of any action with regard to pensionable remuneration and pension entitlements on the total compensation ratio. It further decided that as part of its forthcoming review of pensionable remuneration and pension entitlements it would also address the issue of the frequency of review and report thereon to the GA *[ICSC/19/R.22, paras. 27 and 28]*. The revised work programme of ICSC was reproduced in annex III to ICSC/19/R.22.

By **resolution 39/27** the GA considered that a margin of 24 per cent was too high in relation to past levels of the margin and, consequently, requested ICSC to: (a) re-examine, in the light of the views expressed in the Fifth Committee at the session, what would constitute a desirable margin between the net remuneration of the UN in New York and that of the comparator civil service and its effect on the operation of the PA system; (b) submit its recommendations to the GA at its 40th 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 range of 15 per cent; (ii) the technical measures which would be applied by ICSC to ensure that the PA system operates within the framework of the defined margin range; (c) take the necessary measures to suspend implementation of the increase in PA for New York envisaged for December 1984, pending receipt by the GA at its 40th session, and action thereon, of ICSC's recommendations regarding the margin and other measures referred to in subparagraphs (a) and (b) above; and take whatever related measures were required in respect of the PA 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.

The GA further decided that: (a) ICSC should continue to report the margins in respect of both total compensation and net remuneration comparisons; (b) in determining the total compensation margin, ICSC should consider all relevant factors in the two services including, *inter alia*, the differences in annual leave, taking into account the views expressed in the Fifth Committee; and decided to refer to ICSC the report of JIU, the related comments of ACC, and the views of Member States. It requested ICSC to report thereon to the GA at its 40th session.

In **resolution 39/69**, the GA requested ICSC (a) to keep under review the implementation of the methodology for surveys of best prevailing conditions of service for locally recruited staff at non-headquarters duty stations and to re-examine, where necessary, the technical aspects of the methodology in the light of experience; (b) to review the practices of the organizations regarding long-service steps for staff in the P category, to examine ways in which uniformity may be established within the common system and to report thereon to the GA at its 40th session; (c) to report to the GA at its 40th session on the use of competitive examinations for both selection and promotion.

In **resolution 39/246** on the report of the UNJSPB, the GA requested ICSC (a) to re-examine the procedure for adjusting pensionable remuneration between comprehensive reviews and report thereon to the GA at its 40th session; (b) requested ICSC to review the methodology for determining and monitoring pensionable remuneration for the P and higher categories and to submit a report thereon to the GA at its 46th session, so that the GA could consider whether it would be appropriate to request ICSC to propose a new scale of pensionable remuneration to its 41st session.

1985 **21st session (March)**: ICSC took note of the various decisions made by the GA in resolutions 39/27, 39/69 and 39/246 and observed that several matters were to be discussed under specific agenda items scheduled for the present session or at the 22nd session *(A/40/30, para. 7)*. ICSC referred to the organizations the GA request that existing schemes for the award of long-service steps to the P and higher category staff be reconciled and asked that they report back through CCAQ on that matter to the 22nd session of ICSC. In formulating a final programme of work for 1986-1987, *[ICSC/21/R.4, annex VII]*, ICSC eliminated a proposed study on total compensation including expatriate benefits and

postponed action to be taken in the development of common staff regulations and consideration of staff/management relations under articles 15 and 16 of the statute.

In **resolution 40/244**, the GA requested ICSC: (a) to develop further the methodology for calculating the margin based on net remuneration and to study the possibility of calculating the margin based on a comparison of net remuneration for both services in New York and to report thereon to the GA at its 41st session; (b) to further elaborate procedures for the operation of the PA system within the approved range of the margin of net remuneration, which would enable ICSC to maintain the margin around the desirable mid-point of 115 over a period of time, and to report thereon to the GA at its 41st session; (c) to continue its studies of the PA system as it related to UN officials posted outside the base city, the effects of exchange rate fluctuations and the possibility of eliminating PA at the base city, and to report thereon to the GA no later than at its 42nd session: (d) to undertake a study of the mobility of P staff in the UN common system, including the frequency and average length of their assignments at different duty stations; (e) to re-examine the scope of the education grant in relation to the purpose for which it was originally approved; (f) to re-examine the question of the mandatory age of separation from service and to report thereon to the GA at its 41st session; (g) to report in detail to the GA at future sessions on the consideration and implementation of ICSC decisions and recommendations by organizations of the UN common system.

In **resolution 40/245** on the report of the UNJSPB, the GA requested ICSC in cooperation with the Board to: (a) carry out a comparative study of the levels of pension benefits and the ratios of pensions to salaries under the UN pension scheme and that of the comparator country; (b) complete its review of the methodology for the determination of pensionable remuneration for the P and higher categories, for monitoring the level of pensionable remuneration and adjusting it between comprehensive reviews, taking into account the margin range established for net remuneration, and to submit its recommendations to the GA at its 41st session.

1986 **23rd session (March)**: ICSC took note of the above requests and decided to address the relevant substantive issues as necessary under specific agenda items scheduled for the session *[ICSC/23/R.19, para. 28]*. ICSC was informed that CCAQ was collecting statistics on reassignments of staff, by organization, as at end 1986, which would entail deferral of its consideration of staff mobility from 1986 to 1987. It noted that CCAQ and FICSA would be submitting documents on the assignment allowance to ICSC at its 24th session and accordingly agreed to include consideration of the matter under a relevant agenda item. With regard to FICSA requests to include items in its work programme human resources planning for GS staff and a recruitment study on project personnel, ICSC noted that FICSA would be submitting documents for its consideration in 1987. It would accordingly include relevant items in the agenda of its 25th or 26th session *[ICSC/23/R.19, paras. 207 and 208]*. The revised work programme of ICSC for 1986-1987 was reproduced in annex V to ICSC/23/R.19.

In **resolution 41/207** the GA: (a) requested ICSC to review, taking into account the views expressed at the 41st session of the GA, the issues dealt with in paragraph 69 (b) and (c) of its report *(A/41/30)*, and to submit to the GA at its 42nd session its recommendations on the methodology for calculating the net remuneration margin; (b) to examine the total entitlements (salaries and other conditions of service) of both services with a view to determining the feasibility and usefulness of a comparison and to report thereon to the GA at its 42nd session; (c) invited each organization of the common system to collect and analyse statistics regarding the relative time spent by women and men in each grade of the P and higher categories and to submit to ICSC proposals for removing obstacles to equality in promotion prospects for women and men and invited ICSC to coordinate these proposals with a view to making recommendations to the GA at its 43rd session and to other legislative organs of the common system; (d) requested ICSC to report to the GA at its 42nd session on further progress in performance appraisal and the recognition of merit of staff; (e) reiterated its request to ICSC to undertake a study of the

mobility of P staff in the UN common system, including the frequency and average length of their assignments at different duty stations, and to report thereon to the GA at its 42nd session; (f) requested ICSC to continue reporting on the implementation of its decisions and recommendations by participating organizations.

By **resolution 41/213** on the review of the efficiency of the administrative and financial functioning of the UN (report of the Group of 18) the SG was requested to transmit to ICSC recommendations having a direct impact on the UN common system (recommendations 53 and 61), with the request that it report to the GA at its 42nd session, so as to enable the GA to make a final decision; the expertise of ICSC should be availed of in dealing with the other recommendations over which ICSC had a mandate to advise and make recommendations.

1987 **25th session (March)**: ICSC took note of the requests on which it was required to report to the GA at its 42nd and subsequent sessions. It took several decisions on the Group of 18 recommendations *[ICSC/25/R.18, para. 33]*. ICSC also considered its programme budget for 1988-1989 and approved the work programme contained in annexes I and II to ICSC/25/R.17.

In **resolution 42/221**, the GA: (a) requested ICSC to continue its examination of the methodology for calculating the net remuneration margin and to report thereon to the GA at its 45th session; (b) requested ICSC to continue reporting annually to the GA on the net remuneration margin calculated in accordance with the methodology referred to in the resolution and to ensure that the margin was maintained at a level around the desirable mid-point of 115 over a period of time; (c) took note of the discussion referred to in paragraphs 97 to 104 of the ICSC report *(A/42/30)* and requested ICSC to develop a methodology regarding total entitlements and to present its recommendations thereon to the GA at its 44th session; (d) decided that a comprehensive review of the conditions of service of staff of the P and higher categories should be undertaken in order to provide a sound and stable methodological basis for their remuneration and requested ICSC to submit to the GA at its 43rd session a preliminary report on the comprehensive review containing an analysis of the subject together with an outline of one or more possible alternatives, and to complete its review for presentation to the GA at its 44th session; (e) requested ICSC to report to the GA annually, starting in 1988, on the number of cases in the common system and on the related costs concerning staff serving at locations where educational facilities were not available or were deemed inadequate; also requested ICSC to indicate in its next report the type of guidelines used for assessing the adequacy of educational facilities at field duty stations for the application of the above measure; (f) requested ICSC to report to the GA at its 43rd session: (i) measures taken by the organizations of the UN common system, since the end of the UN Decade for Women: Equality, Development and Peace, to improve the status of women in their secretariats; (ii) results achieved during the same period at each level of the P and GS categories; (g) requested ICSC to report to the 47th session on the implementation by organizations of measures taken in response to ICSC's recommendations on performance appraisal and recognition of merit; (h) requested ICSC to continue reporting on the implementation of decisions and recommendations by participating organizations and to report to the GA at its 45th session on progress made in the promotion and strengthening of the UN common system through the development of common staff regulations; (i) requested all Member States and organizations of the UN common system to reply promptly to requests for information by ICSC on supplementary payments or deductions; (j) requested ICSC to undertake a study of its functioning with a view to enhancing its work and to report thereon to the GA at its 43rd session.

1988 **27th session (March):** ICSC noted the items on which it would have to report to the 43rd session of the GA: (a) a preliminary report on the comprehensive review of the conditions of service of staff in the P and higher categories; (b) measures taken to improve the status of women in the organizations; (c) a study of the functioning of ICSC with a view to enhancing its work; and (d) supplementary payments *[ICSC/27/R.24]*.

1989 **<u>29th session (March)</u>**: ICSC decided to give priority to the comprehensive review *(see section 2.1.90)*, thereby postponing items on the administration of justice and personnel arrangements for the ICSC secretariat.

By **resolution 44/198**, the GA urged ICSC to: (a) complete its consideration of all issues related to the introduction of a revised remuneration structure, including its impact on margin considerations and on the housing needs of staff in hardship duty stations and to submit final and complete conclusions to the GA in 1992; (b) continue to report the net remuneration margin on an annual basis; (c) to monitor the annual net remuneration margin over the five-year period beginning in the calendar year 1990 with a view to ensuring that the average of successive annual margins is around the desirable mid-point of 115, and to report to the GA in 1994 and to submit an interim report for the period 1990-1991 in 1992; (d) reconsider the decision contained in paragraph 250 (a) of volume II of its report relating to the granting of PA increases due to cost of living; (e) complete as soon as possible, and preferably by the end of 1991, a round of place-to-place surveys using the methodology outlined in chapter VI of volume II of its report, on the understanding that the surveys at the seven HQ duty stations and at other duty stations with more than 150 P staff members would be finalized by the end of 1990 and that, at duty stations with small numbers of staff members, every effort would be made to utilize to the maximum the external data sources as outlined in paragraph 235 of volume II of the report of ICSC; (f) devise appropriate measures to deal with those duty stations where, upon implementation of a place-to-place survey, there was a significant difference between the PA index and the actual multiplier; (g) report to the GA in 1992 on the operation of the mobility and hardship allowance and the assignment grant; (h) review 1989 performance evaluation systems in all organizations of the UN common system with a view to: (i) ensuring that such systems were objective and transparent; (ii) tying withingrade step increments and promotions to merit, as indicated in the performance evaluation reports, rather than primarily to longevity; (iii) collect the necessary information on the practices of the organizations of the UN common system regarding the granting of expatriate entitlements to staff members living in their home countries while stationed at duty stations located in another country in order to assess the feasibility of harmonizing practices among organizations, and to report to the GA in 1990; (j) to reconsider the methodology for the determination of dependency allowances in the light of the tax practices of the comparator and to report in 1990; (k) provide an overview of the package of common system allowances, including the level, rationale and procedure for review of each allowance, *inter alia*, by reference to the package of allowances provided by the comparator, and to report in 1990; (l) allow for the fullest participation of organizations and staff representatives in all aspects and stages of the comprehensive review (as expressed in resolution 43/226); and (m) continue to seek improvements in the presentation of its report.

1990 The GA by **resolution 45/241** requested ICSC to: (a) continue to seek improvements in the format of its reports, with a view to enhancing its clarity and making it more comprehensible; (b) continue its examination of the remuneration structure, in particular concerning the treatment of housing, and to report its findings to the GA, as appropriate, taking into account the views expressed by Member States in the Fifth Committee; (c) continue to take, as a matter of urgency, measures to improve the measurement of the housing element in the remuneration package; (d) establish a pilot project designed to simulate the operation of the ICSC proposals in a limited number of duty stations in the field where valid housing comparisons were difficult or impossible, on the understanding that housing would remain within the PA system in the meantime, and to report to the GA in 1991; (e) examine experience gained with the functioning of the current rental subsidy scheme for HQ duty stations and to review proposals for a revised scheme, and submit its conclusions and recommendations to the GA in 1991; (f) make the utmost effort to complete its review of dependency allowances and its study on expatriate entitlements granted to staff living in their home countries and to report to the GA in 1991; (g) update the comparative overview of allowances on a regular basis; (h) reconsider, in a comprehensive manner, the remuneration of staff of organizations of the UN common system at the

ASG and USG and equivalent levels, taking into account, *inter alia*, the remuneration levels of equivalent positions in the comparator civil service, representation and other allowances, housing arrangements and pensionable remuneration levels, and to report to the GA in 1991; (i) continue its review of performance evaluation systems with a view to ensuring that such systems were objective and transparent and could provide a sound basis for decisions on the proposed cash awards, as well as on within-grade increments and promotions, as indicated in section I.F, paragraph 3, of resolution 44/198; (j) continue to monitor the evolution of the margin and also the impact of the potential changes in the US Federal Civil Service pay levels, as a result of the implementation of the Federal Employees' Pay Comparability Act of 1990 (FEPCA), and to submit recommendations to the GA at its 46th session, with a view to avoiding a prolonged freeze of PA within the five-year period from the calendar year 1990; (k) report to the GA in 1992 on the operation of the mobility and hardship allowance and, in particular, on the evolution of the allowance in reference to equivalent allowances granted by the comparator and in relation to the base/floor salary itself; (l) study the practice of supplementary payments and deductions and propose measures to resolve this problem; (m) examine, together with the organizations of the common system and with the staff representatives, specific and practical steps to translate the recommendations on improving the status of women to the GA in 1992; (n) resume its active consideration of articles 13 and 14 of its statute; (o) study the practice of inter-agency secondment and transfer, the feasibility of creating common staff rosters along occupational lines and the consistent system-wide application of the Master Standard for classification; and (p) study, in view of the JIU study on grade overlap between the P and higher categories and other categories of UN staff, to consider the relativities between the terms and conditions of service of staff in the P and higher categories and those in other categories, as well as the broader question of the recruitment and retention of staff.

By **resolution 45/268**, the GA requested ICSC and the UNJSPB to: (a) examine the basis for the decisions taken by ITU (with respect to a pension purchasing power protection insurance plan, and the granting of SPAs to HQ staff at the P and higher levels) and the ILO (regarding the establishment of a voluntary thrift benefit fund) and their implications for the common system, within the context of their respective relevant work programmes, and to report to the GA in 1991; (b) place the highest priority on ensuring that the reports requested by the GA in its resolution 45/241 (1990) on the UN common system and in its resolution 45/242 on the UN pension system were available for full consideration by the GA in 1991.

1991 **33rd session (March)**: ICSC recalled that in resolution 45/241, the GA had requested ICSC to carry out a number of studies and to report thereon at the GA's 46th session. It had not been possible to undertake or complete all studies during the current year. ICSC noted that the changes it had approved in respect of measures to improve the measurement of housing in the remuneration package were being gradually introduced by the ICSC secretariat. Further improvements would be introduced after the system had been allowed to operate for a while and the effects of the changes, introduced as part of the comprehensive review, evaluated with respect to the GA request to establish a pilot project to simulate its proposals for the separation of housing in a limited number of field duty stations. It was determined that the pilot project would need to operate for about a year before ICSC would be able to report to the GA. The pilot scheme would run in parallel with the current system and would commence in the very near future; a report thereon would be considered by ICSC at its summer 1992 session *[A/46/30, paras. 12 and 13]*.

The GA had also requested ICSC to examine experience gained with the functioning of the current rental subsidy scheme at HQ duty stations. ICSC noted that the changes introduced by the GA in resolution 45/241 *(see section 2.1.72)* would have a significant impact on the total emoluments of staff benefiting from the HQ rental subsidy scheme. In order for ICSC to gauge this experience, the scheme would be allowed to operate for at least one year. The GA had been informed in 1990 that ICSC's

preliminary findings regarding the practices of the organizations regarding the granting of expatriate entitlements to staff members living in their home countries while stationed at duty stations located in another country *(see section 4.70)* and a revised methodology for the determination of dependency allowances in the light of the tax practices of the comparator *(see section 3.20)* would be supplemented in its 1991 report to the GA. Given the other high priority issues which ICSC was required to consider during the current year, ICSC decided to postpone consideration and report on the two issues at a later date *[A/46/30, vol. I, paras. 14 and 15]*.

In **resolution 46/191**, the GA noted the revisions ICSC had had to make in its work programme in connection with reports requested by the GA, and requested ICSC to present these reports at the earliest opportunity. It also requested ICSC to include in its work programme a review of the differences between UN and US net remuneration at individual grade levels and to report thereon to the GA at the earliest opportunity *(see also section 2.1.60)*.

ICSC was further requested (a) to continue monitoring further implementation of FEPCA including the impact of its locality pay provisions in 1994 to enable the GA to address the issue of the average margin over a five-year period around the mid-point *(see section 2.1.40)*; (b) to analyse the potential consequences of FEPCA on the pay levels of the comparator, providing full details of all the special pay systems in the comparator; (c) to report on both aspects to the GA in 1994; (d) to report in 1993 on a cost-benefit analysis of the operation of the mobility and hardship allowance *(see section 3.80)*, including an assessment of the personnel management benefits and savings achieved in other administrative costs; (e) to give priority to its review of merit systems and performance appraisal in the common system; and (f) to review the differences between UN and US net remuneration at different grades.

The GA in **resolution 46/191** also noted a series of studies scheduled for review by ICSC and requested their completion by 1992. These were: (a) the methodology for the conduct of salary surveys of the GS and related categories at HQ duty stations (originally scheduled for review in 1991) *(see section 2.2.20)*; (b) the relativities between the terms and conditions of service of staff in the P and higher categories and those in other categories, as well as the broader question of the recruitment and retention of staff *(see section 9.10)*; and (c) the methodology for conducting surveys of best prevailing conditions of employment for the GS and related categories of staff at HQ locations *(see section 2.2.10)*.

By **resolution 46/191 B,** the GA requested ICSC to take up two items at its July 1992 session: (a) the impact on the UN common system of resolution 1024 of the ITU Administrative Council with respect to the payment of the SPA, the interpretation of staff rules and the convening of the tripartite consultative group outside the rules of procedure of ICSC; and to recommend in its report to the GA at its 47th session appropriate measures to be taken by the GA; (b) measures to be undertaken by all organizations of the UN common system to enforce and enhance respect for, and adherence to, the common system of salaries, allowances and conditions of service. ICSC was to report to the GA in 1992 on these as well as on improving of the responsiveness of the common system to the concerns and needs of the different organizations.

1992 By **resolution 47/216** the GA requested ICSC to: (a) complete phase I of its study to identify the highest-paid civil service *(see section 2.1.20)*, and in this context to study all aspects of the application of the Noblemaire principle *(see section 2.1.10)* with a view to ensuring the competitiveness of the United Nations common system and report to the GA in 1994; (b) to consider the feasibility and effects of including special occupational rates *(see section 2.1.140)* in the calculation of the margin and to report to the GA in 1994; (c) in close cooperation with the organizations, to develop appropriate guidelines for the administration of the revised housing arrangements *(see section 2.1.130)* for eligible

officials (ASGs and USGs) outlined in its 17th annual report, taking into account the views expressed by Member States; (d) to report in 1996 on the operation of the education grant *(see section 4.10)* on the basis of the revised methodology, taking into account the views of Member States on this matter; (e) to include the following elements in its forthcoming review on the mobility and hardship scheme *(see section 3.80)* and to report in 1996: (i) the adjustment procedure which linked the mobility and hardship matrix to revisions of the base/floor salary; (ii) the percentage levels attributed to the matrix also in comparison with those applicable in the comparator civil service and in particular those pertaining to the H and A categories; (iii) an analysis of the extent to which each of the component parts that made up the matrix met the needs of the organizations; (iv) a precise quantification of the cost savings; and (f) to continue to report on a regular basis both on the extent of implementation *(see section 12.10)* of previous recommendations in this area and on new initiatives proposed or introduced by the organizations to enhance the status of women in the common system *(see section 9.20)*.

The GA also urged ICSC, as a complement to studies being undertaken in the remuneration area, to give equal attention in its work programme to measures designed to promote sound personnel management in the international public service, including recruitment forecasting, human resources planning, performance management and staff development and training.

1993 By **resolution 48/224** the GA requested ICSC to study further the matter of expatriate entitlements to staff members living in their home country while stationed at duty stations located in another country *(see section 3.10)*, with a view to harmonizing the practices of organizations with those of the UN and to make recommendations thereon to the GA in 1996. It also requested ICSC to report on the introduction of the language incentive scheme *(see section 3.60)* by the organizations, to review the scheme after taking into account the views expressed in the GA and to report thereon to the GA in 1998.

The GA urged ICSC to devote further attention to personnel management issues, having noted with appreciation action taken under articles 13 and 14 of its statute with regard to job classification and human resource management, training in the context of human resource development and the status of women in the UN common system.

1994 By **resolution 49/223** the GA requested the staff bodies, the organizations and ICSC to review with all urgency how the consultative process of ICSC could best be furthered and to report thereon to the GA *(see section 1.30)*.

It noted with regret that ICSC had not yet completed the studies on all aspects of the application of the Noblemaire principle and all other related studies, and requested ICSC to proceed with all urgency with its study of all aspects of the application of the Noblemaire principle and all other related studies which were outstanding and to submit final recommendations to the GA at the earliest opportunity *(see section 2.1.10)*. The GA also requested ICSC: (a) to proceed with the current round of surveys at HQ duty stations as planned on the basis of the current GS salary survey methodology, and urged all parties concerned to participate in the surveys; and (b) in its review of the GS salary survey methodology, to consult fully with all parties concerned, including the staff representatives; (c) to reconsider its decision to link hazard pay *(see section 7.40)* to the base/floor salary scale for internationally recruited staff and its decision on the level of hazard pay and to propose alternative approaches to hazard pay and to report thereon to the GA in 1996.

1995 **41st and 42nd sessions ((May and July/August)** ICSC undertook, in response to the above request, a review of its functioning and working methods with a view to enhancing the consultative process *(see section 1.30; the GA action thereon, in resolution 50/208, is also reported in that section).*

Also in **resolution 50/208,** the GA decided to defer to its resumed 50th session its consideration of chapter III of the 21st annual report (relating to the remuneration of the P and higher categories), and requested ICSC to review its recommendations and conclusions, taking into account the views expressed in the 5th Committee, so as to assist in that consideration, and to adjust its programme of work accordingly. The GA also: (a) requested ICSC to examine means of reducing the costs of its studies; (b) requested ICSC and the Executive Heads of the organizations of the UN common system to ensure that adequate attention was given to all aspects of human resources management, including the improvement of non-monetary aspects of conditions of service, as set out for example in Article 14 of the ICSC statute; (c) requested ICSC to give priority to the matters addressed in section I of the resolution (examination of the Noblemaire principle and its application; post adjustment matters) in its programme of work.

1996 **44th session (July/August)**: ICSC took up discussion of its work programme for 1997. Recalling its previous discussions with respect to the scope of its mandate and the repeated requests by the GA that attention be given to all aspects of that mandate, ICSC approved the work programme as proposed. It considered moreover that its experience over the past year with respect to its working methods, i.e. taking at its first session substantive decisions only and adopting the report at the second session, had proved positive. It therefore felt that more could be accomplished in two sessions of approximately two weeks each rather than a single four-week session, and requested its Executive Secretary to undertake the necessary arrangements relating thereto *[ICSC/44/R.12, para. 51].*

In **resolution 51/216**, the GA requested ICSC to take the lead in analysing new approaches in the human resources management field so as to develop standards, methods and arrangements that would respond to the specific needs, especially regarding future staffing, of the organizations of the UN common system, including consideration of flexible contractual arrangements, performance-based pay and the introduction of special occupational pay rates, and to report to the GA thereon at its 53rd session.

SECTION 1.50
BUDGETARY AND ADMINISTRATIVE ARRANGEMENTS

1975 **1st session (May):** ICSC noted that the GA at its 29th session had approved a total budget for ICSC for the period 1 April to 31 December 1975 in the amount of $920,000. ICSC observed that the staffing and the general level of the budget provided enabled it only to assume its ongoing functions under art. 11 of its statute (classification of duty stations for the purpose of applying post adjustments - including the making of cost-of-living surveys - and the fixing of daily subsistence allowance rates) and, to a limited extent, the work required in connection with the review of the UN salary system, to which the GA had requested ICSC to give priority. It emphasized the importance of its beginning work at the earliest possible date, subject to that priority task, on the other functions assigned to it by its statute. ICSC approved the establishment of three GS posts of secretaries to the Chairman, Vice-Chairman and Executive Secretary, for which funds had been included in the budget approved by the GA, but which had not been included in the manning table. It also approved the establishment of an additional post at the P-5 level to work on salary studies in connection with the review of the salary system and also to assist the Executive Secretary in the preparation of reports *[A/10030, paras. 73-75]*.

After consultations with his colleagues in ACC and the Chairman of ICSC, as called for by article 20(2), of the statute, the UN/SG announced on 4 April 1975 the appointment of Mr. Roger Barnes of UNESCO as Executive Secretary of ICSC. After similar consultations, the UN/SG approved the transfer to the post (D-1) of Deputy Executive Secretary and Chief of the Salaries and Allowances Division of Mr. Robert L. Smith of the UN.

The incumbents of two of the three P-4 posts transferred from the UN Secretariat to that of ICSC were transferred with their posts, to continue their previous duties in connection with the classification of duty stations for post adjustment purposes and the fixing of daily subsistence rates *[A/10030, paras 76-78]*.

ICSC considered the situation of the staff working hitherto in the statistical offices of the UN and ILO on cost-of-living surveys. With the transfer of this function to ICSC under art. 11 of its statute, the posts concerned had been included in ICSC's manning table. It decided that, for the time being, the staff concerned should remain in the statistical offices of the UN and ILO respectively, which would be responsible for the technical and administrative supervision of their work. ICSC would, however, determine their programme of work and receive the results. This arrangement was accepted by the UN/SG and the Director-General of ILO.

Leaving aside these posts (4 P and 8 GS in New York, and 2 P and 3 GS in Geneva), ICSC's manning table in 1975 thus comprised the following posts: 1 D-2 (Executive Secretary); 1 D-1 (Deputy Executive Secretary and Chief of Salaries and Allowances Division; 1 P-5 (Salary Studies); 3 P-4 (Pay research); 7 GS *[A/10030, paras. 79-80]*.

2nd session (August): ICSC considered its proposals regarding the budget estimates for the biennium 1976-1977. It took account of two sessions in each of the years 1976 and 1977, one of the sessions in 1976 to be held in Rome and one in 1977 in Vienna; the body to be established as a successor to ECPA (ACPAQ) and the arrangements for cost-of-living surveys. ICSC considered it essential that it begin to assume its responsibilities on other matters at the earliest possible time. Additional posts were proposed to be established during the biennium in relation to the following matters: (a) salary scales for the GS category (two P and two GS posts for the conduct of a survey in the latter part of 1977); (b) job classification standards (no additional costs were foreseen, but ICSC could propose changes in the budget for 1977 in 1976 in the light of further experience in the development of its activities); (c) recruitment (one P and one GS post to be established in 1977) and career development, staff training

and evaluation of staff (preliminary surveys to be carried out by consultants in 1976, but no additional posts); (d) development of common staff regulations. ICSC proposed to entrust preparatory work in 1976 to a consultant and, subsequently, for the detailed work of drafting, to establish a P post and a GS post from the middle of 1977. The total cost of these proposals (allowing also for a corresponding minimum increase in the general operating costs of ICSC) was estimated at some $190,000 for the biennium. Added to the estimate for the basic budget, this would give a total budget for the biennium some 7 to 8 per cent above the re-costed 1975 level (1.7 per cent in 1976, 12 per cent in 1977) *[A/10030, paras. 83-90]*.

1977 **5th session (February/March)**: ICSC took note of the report on the status of its budget for 1976-1977 and on changes in the staffing of its secretariat of ICSC *[ICSC/R.76, part A]*. In compliance with article 21(2) of its statute, ICSC considered the proposals it should make regarding its budget estimates for the biennium **1978-1979**. ICSC/R.76, part B, states that it should endeavour to keep its budget within a figure of 2 per cent "real growth". It decided however to recommend that the amounts of the honoraria of the Chairman and Vice-Chairman be increased as from the beginning of the biennium, instead of from 1 January 1979. It noted that an additional P-2 post would be requested for the cost-of-living survey section attached to the Statistical Office of the UN Secretariat in New York and that the grade of the post of Chief of the Salaries and Allowances Division would be maintained in the manning table at D-1. ICSC further decided that the arrangement approved at the 1st session *(cf. ICSC/R.8, para. 60)*, whereby the statisticians of the cost-of-living survey sections in New York and Geneva should be placed "for the time being" under the technical and administrative supervision of the directors of the Statistical Offices of the UN and of ILO, should be reviewed in the course of the next one or two years *[ICSC/R.77, paras. 153-155]*.

On the recommendation of the Fifth Committee in connection with a proposal that the honorarium of the Chairman of ACABQ be aligned with that of the Chairman of ICSC, the GA postponed action on the increase of honoraria. The GA, by **resolution 32/212**: (a) decided to consider on a priority basis at its 33rd session the proposals of the SG with regard to compensation for the two full-time Commissioners of ICSC and the relevant comments of ACABQ without prejudice to the possibility of retroactive action on these proposals; (b) requested the UN/SG, with such advice as he deemed desirable, to prepare, in the context of the comprehensive study of the question of honoraria, a study of the conditions of service and compensation appropriate for those officers other than Secretariat officials serving the GA whose terms and conditions of selection, duties and responsibilities preclude active engagement by governmental, intergovernmental or other specified entities. As a result of this resolution, the budget estimates were reduced by $36,000 *[ICSC/R.98, para. 9]*.

1978 **7th session (February/March)**: ICSC took note of the approval by the GA of its programme budget for the biennium 1978-1979. It noted with regret the decision to defer action on the recommendations for an increase in the honoraria of its Chairman and Vice-Chairman. Members of the Fifth Committee had drawn a parallel between the situations of the ICSC Chairman and the Chairman of ACABQ. ICSC pointed out that there were differences in the ways these officers were appointed and in the nature of their duties and responsibilities. ICSC expressed the firm hope that both the SG, in the study of the question he was requested to make, and the GA, would resume consideration of the matter on a priority basis at its 33rd session *[A/33/30, paras. 26-27]*.

ICSC was apprised of **decision 32/198** by the GA at its 32nd session on the recommendation of the Fifth Committee, regarding the class of travel of members of organs and subsidiary organs of the GA. Members of ICSC felt that their situation was not comparable to that of salaried senior officials of the UN Secretariat who were also affected by the decision. The distinction introduced between those members who continued to be entitled to travel first class and those who no longer were was also, in the Commission's view, invidious. ICSC trusted that the GA would reexamine the decision at its 33rd

session, in full knowledge of all the implications concerning the different categories of persons affected by it *[A/33/30, paras. 28-29]*.

By **resolution 33/116 B**, the GA: (a) took note with appreciation of the report of the SG on conditions of service and compensation for officials, other than Secretariat officials, serving the GA, and of the related report of ACABQ; (b) recalled section VI of its **resolution 32/212** of 21 December 1977; (c) decided that salary, entitlements, other forms of remuneration and conditions of service of full-time members of ICSC and of the Chairman of ACABQ should continue to be set by the GA outside the common system, since it was essential that these officials be treated in every way as independent of the secretariats; (d) approved for an annual compensation of $55,000 the full-time members of ICSC and the Chairman of ACABQ, with an additional allowance of $5,000 for the Chairman of ICSC and the Chairman of the Advisory Committee, effective 1 January 1979; (e) approved also the other conditions of service for the above described officials as recommended by the Advisory Committee in its report; (f) decided that the compensation of full-time members of ICSC and of the Chairman of ACABQ should continue to be reviewed every four years or when the consumer price index in the USA has risen by 10 per cent since the last review, whichever comes first.

By **resolution 33/116 C**, the GA decided to postpone action concerning the comprehensive study of the question of honoraria payable to members of organs and subsidiary organs of the UN until its 34th session.

1979 **9th session (February/March):** ICSC noted GA resolution 33/116 B regarding the salary, entitlements and other forms of remuneration and conditions of service of the two full-time Commissioners of ICSC *[A/34/30, para. 32]*.

ICSC considered the proposals it should make regarding its budget for 1980-1981It noted that since its creation it had been operating on the basis of a budget which had been very greatly reduced, on the recommendations of ACABQ, compared with that which ACC had originally deemed necessary. That reduced budget had been based on the belief that "the build-up of the staff should be related to the Commission's ability to assume and discharge its full range of responsibilities". It had reached the point where it was ready to enter fully upon its tasks under arts. 13 and 14 of the statute - and indeed had been encouraged to do so by the GA. Having heard the views of CCAQ and FICSA ICSC consequently decided to propose that its secretariat be strengthened in the area of work under arts. 13 and 14 by the addition of three P posts (two P-4s and one P-3) and corresponding GS posts, the establishment of these posts to be staggered over the biennium in keeping with actual needs. ICSC noted that the implementation of these measures would entail a real growth in the budget of the order of 15 per cent *[ICSC/R.16, paras. 157, 160 and 162]*.

The GA, by **resolution 34/233**: (a) authorized the UN/SG to promulgate the proposed rules governing compensation to members of commissions, committees or similar bodies in the event of death, injury or illness attributable to service with the UN, amended as indicated in the report of ACABQ; (b) decided that the rules should apply to members of all commissions, committees and similar bodies in respect of which the UN paid daily subsistence allowance or annual remuneration and any such bodies as may in future be certified by the SG as falling into such a category; (c) also decided that the scale of compensation contained in the rules should be reviewed by the UN/SG at least once every four years, in the light of inflation and currency fluctuations since the previous review, and that he should make appropriate recommendations in the context of the proposed programme budget for the appropriate biennium; (d) decided that the UN/SG should examine the feasibility of providing insurance coverage for members of commissions, committees or similar bodies to meet the cost of medical or dental treatment of an emergency nature which became necessary during a period of service to the Organization but which would not be connected with a service-incurred injury (for which

compensation would already be payable under the rules recommended above), on the understanding that coverage paid for by the UN would be provided only to the extent that the affected person is not otherwise covered by an insurance or compensation schemes.

In respect of the compensation of the Chairman and Vice-Chairman of ICSC, the GA approved as an interim measure, pending a review at its 35th session, an annual compensation of $59,000 to the two full-time members of ICSC and the Chairman of ACABQ, with an additional allowance of $5,000 for the Chairman of ICSC and the Chairman of the Advisory Committee, effective 1 January 1980.

The 1980-1981 budget was adopted by the GA after the following reductions as recommended by ACABQ: (a) of the three P posts and four GS posts proposed, only two P posts and two GS posts were approved; (b) reductions in general operating expenses and for furniture and equipment; (c) reduced increase in the provision for staff travel. The reductions totalled $153,800, resulting in a budget estimate of $3,986,200 *[ICSC/R.195, para. 9]*.

1980 **11th session (February/March)**: ICSC considered a recommendation from ACPAQ and supported by CCAQ and FICSA, that the resources of ICSC's Cost-of-Living Section should be strengthened, both in terms of posts and of computer facilities. One vacant P post in the secretariat was temporarily redeployed as an interim measure, to be used for recruitment of a statistician to undertake research needed for refining existing procedures. An assessment of resources needed was requested for the 12th session *[A/35/30, para. 315]*.

12th session (July/August): ICSC decided that a request for a P-3, G-5 and G-4 post for the year 1981 should be submitted to the GA at its 35th session. ICSC also requested the Executive Secretary to submit a study of long-term needs together with clear data justifying additional resources needed *[A/35/30, paras. 322-323]*.

The GA, by **resolution 35/214**, approved the above request on a temporary basis, pending the study of the long-term needs of the ICSC secretariat to be submitted to the GA at its 36th session.

By **resolution 35/218** on the comprehensive study of the question of honoraria to members of organs and subsidiary organs of the UN, the GA reaffirmed the principle enunciated in its resolution 2489 (XXIII) (1968), according to which neither a fee nor any other remuneration in addition to subsistence allowances at the standard rate shall normally be paid to members of organs or subsidiary organs unless expressly decided upon by the GA.

By **resolution 35/221**, the GA decided to raise the annual compensation of the two full-time members of ICSC and of the Chairman of ACABQ to $67,000, with an additional allowance of $5,000. It also decided to review the compensation again at its 40th session and thereafter normally every five years. In between such periodic reviews, the annual compensation would be adjusted in accordance with the procedure described in para. 11 of the report of the SG *(A/C.5/35/53)*.

1981 **13th session (February/March)**: ICSC considered the first performance report on the programme budget for the biennium 1980-1981 on the basis of document ICSC/R.265, in which an overall deficit of approximately $610,700 was reported. Additional appropriations approved by the GA at its 35th session had reduced that deficit by $134,600 to approximately $476,100. ICSC took note of the information and explanations of the causative factors submitted by the Executive Secretary. It decided to revert to the matter at its 14th session in the light of updated information in the second budget performance report which it expected to receive from its secretariat *[ICSC/R.267, paras. 200-201]*.

ICSC had before it document ICSC/R.266 on the draft programme budget for the biennium 1982-1983, in which the secretariat had provided indications of resource requirements and costings thereof based

on the draft programme of work submitted in document ICSC/R.243/Add.1 and Corr.1. ICSC was aware of budgetary constraints, particularly at a time when growth of budget volume was increasingly coming under detailed scrutiny by the legislative organs of the organizations in the common system. Though fiscal restraint should be borne in mind, most of the members felt that it was necessary to have the budget proposals reflect the numerous priority matters which ICSC was being called upon to deal with. Further, specific requests from the GA and the other legislative organs of the common system requiring action by ICSC needed to be seen in the context of the programme of work and the consequential impact on the available overall resources. ICSC instructed its secretariat to prepare, for consideration at the 14th session, two versions of draft programme budget proposals for the biennium.

1982-1983: one based on a zero real growth, and the other reflecting an overall growth in real terms on the order of 8 to 10 per cent *[ICSC/R.267, paras. 202, 212 and 216]*.

14th session (July): ICSC took note of the performance report on the programme budget for the biennium 1980-1981 *(ICSC/297)*. The estimated deficit for the biennium was $254,000, aside from a charge of $146,000 that was included in the current accounts which had been incurred in the previous biennium and normally would have been charged to that budget. ICSC requested that expenditures in the 1982-1983 biennium be regulated and controlled so as to avoid any overspending of the budget eventually approved by the GA at its 36th session *[ICSC/R.302, para. 124]*.

ICSC established its budget for the 1982-1983 biennium on the basis of maintaining two sessions per year, each of three weeks' duration. Moreover, in view of the budgetary constraints to which ICSC was subjected, it could not but agree to hold these two sessions in New York. It was understood that the conference servicing would be provided in New York by the UN without a charge being levied on the Commission's budget so long as there was adequate advance planning. Accordingly, it was agreed that no funds would be provided for that purpose in the Commission's budget proposals *[ICSC/R.302, para. 133]*.

ICSC reviewed its minimum programme requirements for the next biennium in the light of the need for budgetary restraints. The first draft budget that was considered at the 13th session had provided for a real growth of 23 per cent which had been reduced to approximately 15 per cent in the draft proposal considered at the 14th session. After a further review of each main area of expenditure ICSC agreed to include the specific increases in requirements in its 1982-1983 budget proposals related to word processing equipment and reclassification of posts. ICSC further agreed to reductions below the 1980-1981 appropriation levels in respect of external printing, supplies and materials and consultants and in the case of overtime, travel of staff and certain other general operating expenses, agreed to reductions to amounts below the anticipated level of the 1980-1981 actual expenditures *[ICSC/R.302, paras. 136-137]*.

1982 **15th session (March)**: ICSC noted GA **resolution 36/240** which approved its budget for 1982-1983 *[A/37/30, para. 28]*.

16th session (July): ICSC had before it a proposal to increase computer facilities linked to the main frame in the New York Computing Service along with revised estimates of requirements in 1983 based on the work programme for cost-of-living surveys *[ICSC/16/R.21]*. ICSC was informed that a part of the requirement for 1983 could be absorbed by the 1982-1983 budget or covered from savings in other objects of expenditure and therefore an additional amount of $114,700 would be required in the budget for 1983.

ICSC agreed to increase the data processing capability of the Cost-of-Living Division through increased computerization *[ICSC/16/R.24, paras. 84 and 87]*.

ICSC also considered document ICSC/16/R.22 containing a budget report for the year 1982, a projection of expenditures for the biennium and details of objects of expenditures for which supplementary allocations would be required, along with appropriate justifications. Whilst the additional appropriation required amounted to a 3.3 per cent increase over the period, the items causing this increase were all directly attributable to decisions relating to ICSC, outside the budgetary control of its secretariat, in particular the cost of production of post adjustment booklets for the common system as a whole, the necessity for an additional meeting of ACPAQ, compensation of the permanent members of ICSC and computerization of the Cost-of-Living Division *[ICSC/16/R.22, paras. 88-89]*.

With regard to the classification of the P posts of its secretariat, ICSC considered further written and oral information from the two consultants who had undertaken a review of such posts in accordance with the ICSC Master Standard of common system job classification standards and Tier II standard for personnel management specialists. ICSC agreed with the proposal to reclassify the posts of Chief of the Cost-of-Living Division and Chief of the Personnel Policy Division from P-5 to D-1 as well as that of a job classification specialist graded P-3 to P-4, noting that the costs involved could be contained within the overall costs of established posts in the 1982-1983 budget and that it was not necessary to freeze any posts *[ICSC/16/R.22, para. 91]*.

Following a discussion of the need for the supplementary allocations described in document ICSC/16/R.22, ICSC supported a request to the GA for additional appropriations *[ICSC/16/R.22, para. 93]*.

The GA approved slightly scaled down additional appropriations by **resolution 37/243** *[ICSC/17/R.2, para. 45]*.

By **resolution 37/237**, the GA took note of the report of the SG on first-class travel in the UN and the related oral report of ACABQ and concurred with the interpretation of para. 2(b) of resolution 32/198 (1977) proposed by the SG in his report *(A/C.5/37/18 and Corr.1)*, in respect of the travel of members of organs, subsidiary organs or other bodies established by the GA whose membership consists of persons serving in their individual capacities and chairmen of intergovernmental committees who travel at UN expense.

1983 **18th session (July/August)**: ICSC considered a progress report on the programme budget *(ICSC/18/R.30)* and an additional conference room paper. The secretariat anticipated a net saving in the 1982-1983 budget, mostly owing to underexpenditure within the personnel component of the budget. The secretariat drew ICSC's attention to the expected overexpenditures for rent of premises and rent of equipment, as well as costs imposed on the budget by additional travel that would be required in 1983 *[ICSC/18/R.33, para. 158]*.

The need for overexpenditure on travel was necessitated in particular by the special ICSC session which would take place in November 1983 *[ICSC/18/R.33, para. 158 and 160]*.

ICSC considered the draft programme budget as submitted by its secretariat in document ICSC/18/R.31. The proposals of the secretariat would result in a real growth at 1983 costs of 3.2 per cent with the growth resulting mostly from: (a) proposals for ICSC to meet at a field location; (b) an increase in two GS posts within the secretariat; (c) increased travel costs of the secretariat; (d)

increases due to the expanded ICSC publications programme. The total 1984-1985 budget estimates amounted to $7,190,400 *[ICSC/18/R.33, paras. 161-162]*.

ICSC reduced its proposed work programme, including, *inter alia*, the rate of promulgation of Tier II classification standards, work on the conditions of service other than salaries and the pace of work on Tier III standards and the development of common staff regulations. Those changes allowed the ICSC secretariat to reduce proposals in the budget for its travel by $25,000. ICSC further decided to: (a) restrict the increases in the personnel component by eliminating the request for an additional secretary; (b) make provision for an additional amount of temporary assistance to offset, to some extent, the reduction in requested posts; (c) eliminate the provision for a meeting of ICSC to be held in a non-headquarters duty station; (d) reduce publication of the *Common System* by one issue per annum.

ICSC agreed to the budget as amended by the above decisions which would limit the real growth of the budget to approximately 1.4 per cent *[ICSC/18/R.33, paras. 166-167]*. The proposed 1984-1985 budget amounting to $7,107,100 was approved by the GA at its 38th session *[ICSC/19/R.2, para. 63]*.

1984 **19th session (March)**: ICSC had before it a conference room paper prepared by the Executive Secretary containing, *inter alia*: (a) proposals for improving the administration of ICSC personnel under the decentralized arrangements, in view of long delays experienced in the past. They involved the establishment of an administrative unit within the ICSC secretariat, including the addition of an officer at the P-3 level who would perform duties similar to those entrusted to an executive officer or administrative officer in United Nations units of comparable size; (b) improvements in other administrative arrangements for ICSC and its secretariat. The proposed administrative unit would undertake directly such functions as procurement, supplies and other general services currently centralized in the UN, within the provision of the ICSC's budget *[ICSC/19/R.22, para. 227]*.

ICSC agreed with the proposal to establish as soon as possible in the current year the post of administrative officer at the P-3 level in the ICSC secretariat. As there was no vacant P post in the ICSC secretariat, it was not feasible or desirable to redeploy existing resources within the current approved budget. ICSC therefore requested that the UN, which had considerably more financial and human resources, be approached, with a view to making a full-time P post available to the ICSC secretariat for that purpose until the item could be included in the next regular budget of ICSC *[ICSC/19/R.22, paras., 234-235]*.

20th session (July): ICSC noted the final report on the 1982-1983 programme *(ICSC/20/R.25)*. Final expenditures were expected to exceed the allocated budget by $3,400. ICSC was informed of the current and projected performance of the 1984-1985 programme budget *(ICSC/26/R.26)*. The secretariat had identified three programme elements which would require supplementary funding and proposed a request for $106,300 to cover the cost of computerization of salary and allowances data, additional funds required for ICSC to meet in a non-HQ duty station and a post of administrative officer in the secretariat *[ICSC/20/R.28, paras., 134-136]*.

ICSC decided that no request should be made for additional funds to have a session in a non-HQ duty station in the course of 1985. In so doing, however, ICSC unanimously reiterated its conviction that, after 10 years of its existence, it should hold some future meetings at non-HQ duty stations. It requested its secretariat to take steps to ensure that one such session per year was funded on a full-budget basis in future bienniums, including sessions in the field. For March 1985, however, every effort should be made for ICSC to meet in London, if Bangkok was not feasible and if costs could be met from existing budgetary provisions. ICSC agreed to request an allocation of $26,100 to cover the cost of a P-3 administrative officer, commencing in 1985, and to include a request for $40,000 to cover the cost of preparing computer programs for common system use in respect of data banks on post

adjustment and classification of duty stations. ICSC noted, however, that CCAQ (FB) would be examining the feasibility of carrying out that work through the existing resources of the UN common system and that, therefore, the final amount charged to the ICSC budget might be less than the amount indicated *[ICSC/20/R.28, paras. 139-140]*.

1985 **21st session (March)**: ICSC took note of GA resolution 39/237 approving an additional appropriation of $51,500 for computerization but excluding the P-3 administrative officer post *[ICSC/21/R.2, para. 50]*.

ICSC considered the draft 1986-1987 programme budget as submitted by its secretariat *[ICSC/21/R.22]*. The proposals of the secretariat would have given a real net budgetary growth, at 1985 costs, of 2.9 per cent with growth resulting mostly from: (a) proposals for ICSC to meet at a field location; (b) an increase of one P post within the secretariat; (c) a study of total compensation based on expatriate elements of remuneration.

ICSC also had before it a progress report on implementation of the 1984-1985 programme budget as well as a report by two independent consultants on a reclassification study of selected posts in the ICSC secretariat *[ICSC/21/R.24, para. 242]*.

ICSC also noted that the report submitted by the consultants engaged to study the reclassification of selected posts in the ICSC secretariat could only confirm two out of six proposed regradings and that, therefore, the result of the study was to decrease the requested net real growth from 2.9 per cent to 2.1 per cent *[ICSC/21/R.24, para. 248]*.

ICSC decided to keep its programme budget proposals for 1986-1987 to a minimum providing for zero real growth or something close to it. ICSC eliminated a proposed study on total compensation including expatriate benefits from its 1986-1987 programme budget and postponed action to be taken in the development of common staff regulations and consideration of staff/management relations under arts. 15 and 16 of the statute. ICSC noted that the result of such decisions was to reduce the budget by an amount of $91,000 under the allocation for consultants (thus further decreasing real growth to 0.8 per cent). ICSC did, however, agree that the study of special pay systems within the comparator country should be continued and placed on the work programme along with a new equivalency study *[ICSC/21/R.24, para. 250]*.

Concerning the proposal for a new post of Administrative Officer (P-3), to be added to the secretariat, ICSC noted the stated intent of the UN to provide improved administrative support to ICSC. ICSC noted that elimination of the post would bring the budget within the target of zero growth. ICSC also agreed that the two requested reclassifications would be reconsidered at the same time, particularly the proposed upgrading of a GS post *[ICSC/21/R.24, para. 251]*.

ICSC also considered the funding and the venue of its spring session. ICSC maintained its conviction that it should hold some future meetings at non-HQ duty stations, and that funding for those meetings should be provided in future budgets; however, that should not entail a breach of financial restraint. ICSC therefore agreed to include a token figure of approximately $70,000 for the funding of such a meeting, subject to maintaining a zero growth budget, on the understanding that it would take a decision at its 22nd session on the precise venue of its 1986 spring session *[ICSC/21/R.24, para. 252]*.

22nd session (July): ICSC considered recent information on the **1986-1987 programme budget** *[ICSC/22/R.22]*. It noted the issues raised by its secretariat and the organizations and in particular that final arrangements would be concluded shortly concerning administrative support. ICSC also noted that, in respect of the proposed reclassification of a GS post, the revised job description had been

forwarded to the UN Budget Division as long ago as April 1985. ICSC: (a) agreed to hold its spring 1986 meeting at Nairobi, subject to appropriate details being finalized with the UN; (b) decided to remove the post of Administrative Officer from its proposed 1986-1987 programme budget; (c) decided to maintain the budgetary provision for the reclassification of one GS post subject to the final outcome of the UN overall review of the classification of GS posts; (d) noted that the above decisions resulted in a budget which would show a decrease of approximately 0.4 per cent over the 1985 maintenance base *[ICSC/22/R.23, paras. 194-195]*.

By **resolution 40/256**, the GA: (a) affirmed the principle that the conditions of service for the Chairman and Vice-Chairman of ICSC and for the Chairman of ACABQ should be separate and distinct from those of UN Secretariat officials; (b) decided that the annual compensation of the two full-time members of ICSC and of the Chairman of ACABQ remained at its current level, i.e. $82,056 with an additional allowance of $5,000 for the Chairman of ICSC and the Chairman of the Advisory Committee; (c) approved the recommendation of ACABQ in para.11 of its report with regard to the Chairman and Vice-Chairman of ICSC and the Chairman of the Advisory Committee and decided that the other conditions of service for these officials remained unchanged; (d) decided that the compensation and other conditions of service of the full-time members of ICSC and of the Chairman of ACABQ would next be reviewed at the 45th session of the GA and that, pending such review, the annual compensation would be adjusted in accordance with the procedure approved in GA resolution 35/221.

1986 **23rd session (March)**: ICSC took note of **resolution 40/253** in which the GA had approved the 1986-1987 programme budget. While ICSC had included a provision for holding its 1987 spring session at Geneva, the Committee on Conferences had indicated that it would be held at UN HQ in New York. As a result, the budget was reduced by $60,000. No provision was made for eventual decisions on the upgrading of GS posts *[ICSC/23/R.2]*.

24th session (July): ICSC took note of document *ICSC/24/R.21* in which its secretariat provided a detailed report on expenditure and obligations established at 31 March 1986 in respect of the 1984-1985 programme budget. The report showed expenditure and obligations in the amount of $7,136,400, reflecting an under-expenditure of $225,800, or 3.1 per cent for the biennium *[ICSC/24/R.2, paras 91 and 94]*.

In regard to administrative support for the secretariat ICSC approved the arrangements to be provided in future by the Executive Office of the Department of International Economic and Social Affairs (DIESA) of the UN Secretariat *[ICSC/24/R.22, para. 101]*.

1987 **25th session (March)**: ICSC considered the proposed **programme budget for 1988-1989** *(ICSC/25/R.17)*. The proposed budget of $8,227,100 represented an increase of $153,400 or 1.9 per cent over the revalued resource base for the current programme budget for 1986-1987 *[ICSC/25/R.18, para. 176]*. Members agreed that at the current time of financial austerity in the organizations, ICSC, too, should make every effort to reduce its budget to one of zero growth. After reviewing the programme budget proposals of its secretariat for 1988-1989, ICSC decided: (a) to request the UN to subtract $60,900 from resource growth and include it in the 1988-1989 revalued resource base; (b) to make reductions in the proposals submitted by its secretariat in document ICSC/25/R.17 to an amount of $121,000. The savings thus effected in its budget for 1988-1989 would represent a real growth decrease over 1986-1987 of -0.7 per cent, according to calculations of the UN Budget Division *[ICSC/25/R.18, paras. 176, 179 and 184]*.

26th session (July): ICSC took note of the performance report on its 1986-1987 programme budget *(ICSC/26/R.24)* based on known obligations and estimated requirements for the biennium as established at 30 April 1987 *[ICSC/25/R.18, paras. 129 and 134]*. The GA approved the final budget

appropriations by its **resolution 42/213**. The 1988-1989 budget was approved by GA **resolution 42/226**.

By its **resolution 42/214** (Standards of accommodation for air travel), the GA: (a) took note of the report of the SG on standards of accommodation for air travel and the related report of ACABQ; (b) decided that all individuals, with the exception of the SG and the heads of delegations of the least developed countries to the regular and special sessions of the GA, whose travel is financed by UN organizations and programmes and who were previously entitled to first-class accommodations, will be required to travel at the class immediately below first class; (c) authorized the SG to exercise his discretion in making exceptions to allow first-class travel on a case-by-case basis; (d) requested the SG to report annually to the GA on the implementation of the present resolution, noting all exceptions made, and the reasons for those exceptions.

1988 **28th session (July):** ICSC took note of the financial performance report on the 1986-1987 programme budget. It also noted the proposals of the organizations for a reduction in posts in the ICSC secretariat. However, bearing in mind the current backlog of some eight months in the processing of cost-of-living surveys and the constant representations for surveys to be carried out at field duty stations, the matter had to be approached with some caution. If staff cuts were made in vital areas without due regard to the consequences of such actions, the organizations and staff would suffer. The Chairman recalled the correspondence with the UN Administration in this regard which seemed to indicate that recommendation 15 of the Group of High-level Intergovernmental Experts did not apply to the ICSC secretariat. While ICSC concurred with this view, it nevertheless requested its secretariat to seek economies and to discuss the matter further with CCAQ. The outcome of such discussions should be taken into account in the preparation of the budget for the next biennium *[ICSC/28/R.15, paras. 82-83]*.

1989 **29th session (March):** ICSC considered programme budget proposals submitted by the secretariat for the **biennium 1990-1991** *(ICSC/29/R.10 and Corr.1 and ICSC/29/CRP.3)*. It noted that these reflected the ACC recommendation that the staffing level in the ICSC secretariat should be reduced by two P posts (one P-4 and one P-3) in the Personnel Policies Division, one P post (P-4) in the Cost-of-Living Division and two GS posts. Having noted the statements made by the ICSC secretariat and CCAQ, ICSC agreed that it would be preferable to eliminate one P-4 and two P-3 posts. Supplementary information provided by the secretariat reflected some reductions in other objects of expenditure, including consultants. ICSC decided to approve the proposed programme of work and the budget for the biennium 1990-1991 as amended, on the understanding that the reduction in five posts would consist of two GS posts and three P level posts (one P-4 and two P-3s) *[ICSC/29/R. 11, para. 80]*.

1991 **33rd session (March):** ICSC had before it the secretariat's programme budget proposals for the **biennium 1992-1993** *(ICSC/33/R.14)*. In view of the decisions taken by ICSC regarding its working methods, the use of external data etc., the secretariat was proposing a budget showing an increase in real terms of approximately 1.2 per cent. Bearing in mind the view of the organizations that no increase in resource requirements could be sustained, ICSC requested the secretariat to consult further with CCAQ with a view to arriving at a budget proposal without an increase in resource requirements. ICSC decided to submit its proposed budget to the United Nations Office of Programme Planning, Budget and Finance for inclusion as part of the Secretary-General's budget proposals for the 1992-1993 biennium *[ICSC/33/R.16, paras. 122-128]*.

1993 **37th session (March):** ICSC considered the proposed programme budget for the **biennium 1994-1995** *(ICSC/37/R.17)*. It took note of the programme of work for 19941995 and decided that: (a) one P-3 post from the Cost-of-Living Division should be redeployed to the Personnel Policies Division; (b) one General Service post from the Cost-of-Living Division should be redeployed in the Salaries and Allowances Division; (c) the proposed budget should be submitted to the United Nations Office of

Programme Planning, Budget and Finance for inclusion in the Secretary-General's budget proposals for the 19941995 biennium. *[ICSC/37/R.18, paras. 206-218 and annex IX]*.

1995 **41st session (May)**: ICSC considered its programme budget for the **biennium 1996-1997** *(ICSC/41/R.15 and ICSC/41/CRP.9)*.

Regarding a comment by the CCAQ Chairman that the personnel directors of the organizations had not had a chance to look into the ICSC secretariat's programme realities and needs, ICSC noted that the details of the proposed programme of work which formed the basis of the secretariat's proposals regarding resource requirements for the next biennium had been communicated to the CCAQ secretariat in mid-January 1995. CCAQ (FB) had considered the document containing the programme and resource requirements for ICSC at its February 1995 session and had submitted its recommendations for the reduction of 5 posts in the ICSC secretariat along with reductions in resource requirements for specific items of expenditure without any discussion of the programme with either the ICSC or its secretariat. ICSC was informed by the Executive Secretary that a programme review with senior UN officials had preceded the preparation of revised budget estimates. ICSC noted its secretariat's intention to maintain contact with the organizations with a view to carrying out a further review of the programme of work. It noted that the proposed management audit of ICSC and its secretariat could have an impact on ICSC resource requirements. The outcome of such discussions would be brought to the attention of ICSC in a timely manner. It noted also that the resource requirements for the biennium 19961997 *[ICSC/41/CRP.9, annex II]* had been included as part of the UN/SG's budget for the next biennium. ICSC decided to endorse those resource requirements *[ICSC/41/R.19, paras. 372 and 377-380]*.

1997 45th session (April/May): ICSC considered its programme budget for the biennium 19981999 *(ICSC/45/R.12)*.

ICSC noted that the proposed budget would result in a reduction of overall resources by 3.9 per cent in real terms; concern was expressed whether this would have an impact on the ICSC's work. Proposed changes were (a) the abolition of a P-3 post in the Personnel Policies Division (PPD), (b) the abolition of a secretarial post in the Salaries and Allowances Division, (c) redeployment of one P-3 post (Programmer/Analyst) and of one GS post from the Cost-of-Living Division to the Office of the Executive Secretary, (d) redeployment of a P-5 post (Senior Pay Research Officer) to the Office of the Executive Secretary to accommodate a post for a senior attorney. In the discussion, concern was expressed regarding the reduction of posts in the PPD. CCAQ remained opposed to holding ICSC session in the field, and requested that sessions should be restricted to HQ locations, most frequently to New York and Geneva, as this would allow the greatest savings in terms of travel and subsistence allowance for the ICSC secretariat and the consultative partners. ICSC endorsed the work programme and the associated resource requirements *[ICSC/46/R.10, para. 203]*.

SECTION 1.60
PERSONNEL ARRANGEMENTS

1984 **19th session (March)**: ICSC reviewed a note prepared by the Executive Secretary which dealt with, *inter alia*, the following issues: (a) the status of ICSC staff, in particular, current policies and procedures for the appointment and promotion of P and GS staff on UN letters of appointment, current arrangements for special post allowances and the lack of career appointments for P staff within the ICSC secretariat; (b) several proposals for changes in the above arrangements, two of which had come from the UN Secretariat: one for the institution of ICSC letters of appointment (similar to those which were earlier introduced for UNDP and UNICEF), and the other for granting of career contracts for ICSC P staff under the decentralized arrangements *[ICSC/19/R.22, para. 227]*. ICSC agreed with the necessity to establish improved procedures for the appointment and promotion of ICSC staff, including the introduction of career appointments on a selective basis for its P staff. ICSC agreed that detailed procedures for the appointment, promotion and career contracts of staff and special post allowances should be worked out further with the UN, CCAQ and the staff *[ICSC/19/R.22, paras. 234-235]*.

20th session (July): ICSC was informed of developments in the consultations to regularize the status of ICSC staff and make improved arrangements for the appointment, promotion and permanent contracts for staff of the ICSC further to ICSC's discussions and decisions at its 19th session. It considered several communications between the Chairman of ICSC and the ASG of the UN Office of Personnel Services. It was also informed of inter-agency consultations which included representatives of CCAQ, the UN, other interested organizations and the ICSC secretariat. ICSC took note of the progress made in the consultations and requested that specific recommendations be made at its 21st session *[ICSC/20/R.28, paras. 141 and 145]*.

1985 **21st session (March)**: ICSC was informed of the need to regularize and improve a number of personnel arrangements in force. They included: (a) the fact that many P staff continued to work under a series of fixed-term contracts; (b) the desire to secure improvements in the conditions of service of existing staff; (c) adequate and more efficient administrative servicing; (d) a proper legal basis, to be agreed by all interested parties, within which the secretariat staffing could be administered *[ICSC/21/R.24, para. 253]*.

ICSC noted the positive aspects of the proposals by the UN Secretariat to decentralize authority from the SG of the UN to the Chairman of ICSC, as well as the comments by the Chairman of CCAQ that organizations would do their utmost to find posts for ICSC staff in the event of a reduction in force, although the organizations were not in a position to give guarantees for continued service either for ICSC staff or for their own staff. Accordingly, ICSC requested the Chairman and Secretary of CCAQ and the ASG of the UN Office of Personnel Services and his colleagues at UNDP and UNICEF to hold further consultations with the Chairman, Executive Secretary and staff representatives of the ICSC secretariat on the two basic issues with a view to presenting agreed modified proposals to its 22nd session *[ICSC/21/R.24, para. 262]*.

22nd session (July): ICSC was informed that the personnel arrangements for the ICSC secretariat had not been finalized and that the UN had proposed that ICSC defer the item to its 23rd session. ICSC wished to receive final proposals on the issue at its 23rd session and urged all parties to cooperate fully in the consultation process to achieve that end *[ICSC/22/R.23, paras. 183 and 190]*.

1986 **23rd session (March)**: ICSC considered a summary of progress made since the 22nd session on consultations, in particular with the UN Secretariat, on improving personnel arrangements for ICSC P staff. It was noted that agreement had not yet been reached on some important points. ICSC requested the UN Secretariat and its own secretariat to work towards the resolution of outstanding issues and to

present to ICSC for final decision at its 24th session a proposal reflecting arrangements on which they had agreed *[ICSC/23/R.19, paras. 193 and 199]*.

24th session (July): ICSC was informed that there had not been progress in the consultations between its secretariat and the UN Secretariat. ICSC: (a) requested the UN Secretariat and its own secretariat to continue their consultations with a view to integrating more fully the ICSC personnel arrangements into those of the UN, while preserving the inter-agency character of ICSC and its secretariat when the current UN financial crisis had been settled; (b) approved the following interim arrangements for the appointment and promotion of P staff which were to take effect from 1 September 1986 *[ICSC/24/R.22, paras. 83 and 90]*: (i) continuation of the current arrangements for appointment of staff at the P-5, D-1 and D-2 levels by the SG of the UN on the recommendation of the ICSC Chairman and after consultation with ACC; (ii) the same consultative process would be followed for the promotion of staff at the P-5, D-1 and D-2 levels as for the appointment of staff at those levels as specified in (i); (iii) an appointment and promotion committee would be established each year for established each year for a 12-month period for the consideration of appointments, promotion, special post allowances and permanent contracts of staff at levels P-1 to P-4.

The Committee would consist of three members at the First Officer level (P-4) and above who would be appointed by the Chairman of ICSC after consultation with the ICSC secretariat staff representatives. CCAQ would be represented on the Committee in an *ex officio* capacity. The Committee would elect its own chairman from among the ICSC members on that Committee, and would establish its own working procedures; (d) new appointments and extension of appointments of ICSC P staff would be on UN contracts limited to service with ICSC until such time as arrangements were agreed for the consideration of ICSC staff through the UN appointments and promotions machinery when they could become eligible for UN appointments without any such limitations of service to ICSC *[ICSC/24/R.20, para. 4 and ICSC/24/R.22, para. 89]*.

1987 **26th session (July):** ICSC took note of a report provided by its secretariat on progress made over the last year in the above arrangements. In January 1987, an appointment and promotion committee had been established for staff at the P-1 to P-4 levels in which an *ex officio* member represented CCAQ, and the Deputy Executive Officer of the Department of International Economic and Social Affairs served as *ex officio* secretary *[ICSC/26/R.25, paras. 119 and 128]*.

1988 **27th session (March)**: The Chairman informed ICSC on negotiations between the UN Secretariat and the ICSC secretariat that had resulted in a document that, subject to some changes still to be made, was acceptable on both sides. A full report on both future and existing staff would be presented to the 28th session for final consideration. ICSC took note of the progress made, bearing in mind that a final document on the appointment and recruitment policy of future staff and the resolution of the status of existing staff would be presented to ICSC at its 28th session *[ICSC/27/R.24, paras. 228 and 234]*.

28th session (July): The Chairman informed ICSC that both the revised draft on arrangements for future staff and the UN proposal for present staff reached the ICSC secretariat the day before the opening of the session, rendering examination and review of the proposal impossible. He had no choice, therefore, but to postpone the item once again until such time as proper negotiations could take place and arrangements could be concluded *[ICSC/28/R.15, para. 67]*.

1989 **30th session (July/August)**: ICSC had before it a note on personnel arrangements for the ICSC secretariat that included the draft arrangements negotiated between ICSC and the UN. ICSC expressed its satisfaction with the cooperation it had received from the UN in this undertaking after so many years of difficult discussion. ICSC concurred with the CCISUA representative regarding the ad hoc procedures proposed by the UN for the regularization of present ICSC secretarial staff; while accepting the UN proposal in its entirety, ICSC regretted that that particular point had not been resolved more

satisfactorily. ICSC requested the UN to implement the proposed personnel arrangements as set out in document ICSC/30/R.6 as soon as possible with a view to the full integration of ICSC staff into the UN Secretariat. It further requested that the UN exhibit flexibility regarding the regularization of existing ICSC staff *[ICSC/30/R.7, para. 37]*.

2004 In a Human Resources Management Reform report of 2004 (A/59/263, Annex), the Secretary-General informed the General Assembly about the recruitment, selection and appointment of staff in jointly funded bodies, including the ICSC secretariat.

CHAPTER 2
SALARIES
(PROFESSIONAL AND HIGHER CATEGORIES)

SECTION 2.1.10
THE NOBLEMAIRE PRINCIPLE

1972 At its 27th session, when it decided in principle to establish ICSC, the GA also decided to refer to it the report of the Special Committee for the Review of the UN Salary System.

1974 At the 29th session, the GA requested ICSC in **resolution 3357 (XXIX)** "to review as a matter of priority, the UN salary system in accordance with the decision in paragraph 5 of General Assembly resolution 3042 (XXVII), and to submit a progress report to the Assembly at its 30th session." *[A/10030, para. 25]*.

1975 **1st and 2nd sessions (May and August):** In the ICSC review of the salary system the first aspect considered was the principle on which the level of remuneration of the P and higher categories should be based. Having reviewed the history of the Noblemaire principle since it was first formulated in the early days of the League of Nations, the way in which it had been applied in the UN and the deliberations of the Special Committee which led it to the conclusion "that there is no ready alternative" to the Noblemaire principle, ICSC came to the tentative opinion that, for the international civil service, only a global salary system could ensure both equity and the necessary mobility of staff. In line with the principle of "equal pay for equal work", no distinction could be admitted in the remuneration of internationally recruited staff on the grounds of their nationality or of salary levels in their own countries. Since the organizations must be able to recruit and retain staff from all Member States, the level of remuneration must be sufficient to attract those from the countries where salary levels are highest - with the inescapable consequence that the level would then be higher than would be needed to attract staff from countries with lower national salary levels and might appear excessive to the Governments and taxpayers of those countries. In order to determine the appropriate level of salaries for the UN the preliminary conclusion of ICSC, like that of its predecessors, was that no acceptable alternative could be found to the existing practice of comparison with the salaries of the national civil service of the Member State whose levels were found to be highest and which otherwise lent itself to a significant comparison *[A/10030, para. 29]*.

1976 **3rd session (March)**: ICSC noted that the Preparatory Commission of the United Nations had recommended in 1945 that the "salary and allowance scales for the staffs of the United Nations and the various specialized agencies ... should compare favourably to those of the most highly paid home and foreign services, due account being taken of the special factors affecting service in the United Nations". Those factors had been defined by the 1949 Committee of Experts on Salary, Allowance and Leave Systems, basing itself on the report of the Preparatory Commission, in the following terms: "(a) the requirement of the Charter that the staff of the United Nations be characterized by `the highest standards of efficiency, competence and integrity', due regard being paid to its recruitment `on as wide a geographical basis as possible'; (b) the wide range of remuneration for comparable work prevailing in the government services of the Members of the United Nations and the need, therefore, to ensure that conditions of employment for internationally recruited staff compare favourably with those of the most highly paid home and foreign services; (c) the relatively better position of national, as compared with international, services, to guarantee stability and security of employment; (d) the more limited prospects of promotion to the highest posts in an international secretariat compared with such prospects in most national services; (e) the fact that a large proportion of any international staff is

required to incur additional expense and to make certain sacrifices by living away from their own country." *[A/31/30, para. 118]*.

ICSC confirmed its preliminary conclusion made at the 1st session that no acceptable alternative could be found to the existing practice of comparison with the salaries of the national civil service of the Member State whose levels were found to be highest and which otherwise lent itself to a significant comparison *[A/31/30, paras. 120 and 121]*.

ICSC proceeded to consider, first, the way in which the principle should be applied, that is, the selection of the national civil service to be taken as the highest paid; the grades in the two services to be taken as equivalent; the elements of remuneration on either side to be taken into account; and the place at which the comparison should be made; secondly, the resulting level of remuneration; thirdly, the different elements making up the total remuneration *[A/31/30, para. 122]*.

1980 In **resolution 35/214**, the GA noted with appreciation the continuing efforts of ICSC to review the application of the Noblemaire principle, and invited ICSC to complete its examination as soon as possible, especially with a view to achieving comparability of total compensation of the UN remuneration of the P and higher categories with that of the selected comparator national civil service and to ascertaining whether the present comparator was still the highest paid civil service.

1982 **15th session (March)**: ICSC had before it document ICSC/15/R.3 which recalled the history of the Noblemaire principle. It decided to reaffirm the views that it had expressed earlier that the Noblemaire principle continued to be valid for the determination of P salaries. In view of the evidence that ICSC had collected as part of the comparator country study which it had completed at its 14th session, and given that no additional information relating to the continued use of the US federal civil service as the comparator had been brought to its attention, ICSC decided that the US should continue to remain the comparator under the Noblemaire principle *[A/37/30, para. 103]*.

In view of the fact that ICSC could not reach a consensus concerning the manner in which the Noblemaire principle should be applied, it decided to postpone consideration of the matter to a future date. It also agreed that all other issues concerning the basis for the determination of salaries in the P and higher categories such as the level of the margin, the relationship between salaries and the level of responsibility, would also be considered when it reverted to the entire issue at a later date *[A/37/30, para. 106]*.

1984 The GA reaffirmed in **resolution 39/27** the Noblemaire principle as the basis for the determination of the level of remuneration for staff in the P and higher categories in New York, the base city for the PA system, and in other duty stations.

1988 **28th session (July)**: With regard to the basis for determining the level of remuneration: the definition and identification of the comparator(s) in the context of the comprehensive review of the conditions of service of the P and higher categories, ICSC noted that a decision would have to be taken on whether to retain, change or expand the present pay comparison based on the Noblemaire principle. In considering whether the comparison for the determination of the level of remuneration should continue to adhere strictly to the Noblemaire principle or whether it could or should be extended to include more than one national civil service, it was noted that the range of activities in which the organizations in the common system were involved and the nature of the external environment to which they related had changed since 1945 *[A/43/30, paras. 52 and 53]*.

The GA in **resolution 43/226** provided the following guidance to ICSC for the conduct of the comprehensive review of conditions of service of the P and higher categories: (a) the Noblemaire principle should continue to serve as the basis of comparison between UN emoluments and those of

the highest-paying civil service - currently the US federal civil service - which, by its size and structure, lent itself to such comparison; (b) ICSC should review how best the application of the Noblemaire principle could ensure the competitiveness of UN remuneration without resorting to comparison with the private sector. By the same resolution, the GA provided that ICSC should examine all elements of the present conditions of service, and after identifying problems relating to staff recruitment, retention and mobility should propose solutions to these.

1989 **30th session (July/August)**: In its discussions under the comprehensive review, ICSC recalled that it had on several previous occasions reviewed the Noblemaire principle and its application in the context of remuneration comparisons. As before, it saw no viable alternative to the continued use of the Noblemaire principle. It recommended to the GA that in the application of the Noblemaire principle as the basis for the determination of the conditions of service of United Nations staff in the P and higher categories, the comparator should continue to be the highest paid national civil service. A periodic check of the highest paid national civil service should be made every five years *[A/44/30, vol. II, paras. 142 and 173]*.

On the basis of a detailed analysis by the Working Group on the Comprehensive Review, ICSC undertook a review of the competitiveness of the present UN salary system related to recruitment and retention needs *[A/44/30, vol. II, para. 77]*.

ICSC noted that the need to make UN conditions of employment competitive had been emphasized in various quarters, as had the organizations' increasing difficulties in managing programmes because of their inability to recruit and retain high-quality staff. In addressing recruitment and retention difficulties ICSC noted that organizations had resorted to a number of exceptional measures. They included: (a) the increasing tendency to offer a higher step in grade upon recruitment and, in some organizations, the revision of the grade levels of field posts; (b) the greater use of reimbursable loans and secondment; (c) in one organization whose programme so permitted, Professional staff members worked in their own home countries rather than being required to move to the organization's headquarters; (d) the increasing use of other employment arrangements, such as special service agreements, which, in effect, established a class of non-staff in the system; (e) the more frequent hiring of sub-contractors *[A/44/30, vol. II, paras. 96 and 97]*.

ICSC also noted that the payment by certain Member States of supplements to the UN emoluments of their nationals was in contravention of the UN salary system *(see also section 2.1.100)*. ICSC reiterated its previously expressed view on that issue, noting that supplementary payments to some staff created inequality of treatment and were contrary to the Staff Regulations of all organizations as well as to the spirit of the Charter of the United Nations *(see vol. I, paras. 80-90)*.

ICSC reviewed various analyses showing that: (a) since January 1975, the date of the last salary increase, the purchasing power of P staff at the base of the system had declined steadily; in July 1989, it showed a 7.5 per cent loss as compared with its 1975 level. The loss of purchasing power was even greater at other HQ locations; (b) the gap between full pay comparability under the comparator's Pay Comparability Act, and the level of US federal civil service salaries had increased precipitously in the early to mid-1980s and now stood at over 28.6 per cent: (i) in 1985, when ICSC had recommended a net remuneration margin range of 110 to 120 with a desirable mid-point of 115, the gap had stood at 14 per cent and averaged 6.6 per cent over the same reference period used to determine the margin range (1 October 1976 to 30 September 1984); (ii) since 1984 the gap had averaged over 21 per cent; (c) increases had continued to be granted by other international organizations, the most recent example being a 10 per cent increase by the World Bank, with effect from 1 May 1989 *[A/44/30, vol. II, paras. 98 and 99]*.

ICSC noted that while the problems of recruitment and retention referred to by executive heads were pronounced in the field, they also existed at other locations. While ICSC was making a number of improvements to the GA that would result in significant improvements in the conditions of service of field staff, none would result in a meaningful benefit for HQ staff. If there was no improvement in conditions of service for HQ staff, there would be further deterioration in staff morale and accentuation of recruitment and retention problems. The majority of ICSC members considered that a general improvement in salaries for all staff was justified at this time. ICSC therefore decided to recommend to the GA that a 5 per cent across-the-board increase in salaries for the P and higher categories of staff should be granted in 1990 *[A/44/30, vol. II, paras. 115 and 116] (see section 2.1.60 for details of the recommendations and GA action thereon).*

Also in the context of the comprehensive review, ICSC noted that the Working Group in its proposals considered the reference to competitiveness in GA resolution 43/226 to mean that competitiveness checks with employers other than the comparator would be made. The Group had accordingly recommended two types of checks for competitiveness to be carried out on a regular basis, for example, every 5 years: (a) with employers of international staff; and (b) with a non-diplomatic expatriate service of the comparator. While some ICSC members agreed that checks for competitiveness on a periodic basis using the total compensation approach should be carried out with other employers of international staff, others were of the view that such checks would not be in accord with the Noblemaire principle. In general, there was agreement that periodic checks with the non-diplomatic expatriate staff of the comparator should be carried out, taking into account other elements besides net salaries, though some members were of the view that caution should be exercised in that regard. Those members felt that the non-diplomatic expatriate staff of the comparator and UN officials were not fully comparable *[A/44/30, vol. II, paras. 145 and 146]*.

ICSC decided to recommend to the GA that in the application of the Noblemaire principle as the basis for the determination of the conditions of service of staff in the P and higher categories, the comparator should continue to be the highest-paid national civil service. A periodic check of the highest-paid national civil service should be made every 5 years.

By **resolution 44/198**, the GA reaffirmed that the Noblemaire principle should continue to serve as the basis of comparison between UN emoluments and those of the highest-paying civil service - currently the US federal civil service - which, by its size and structure, lends itself to such a comparison.

1992 By **resolution 47/216,** the GA, *inter alia* requested ICSC to study all aspects of the application of the Noblemaire principle, with a view to ensuring the competitiveness of the UN common system.

1993 **38th session (July/August)**: ICSC recalled that the GA had made several separate but related requests, at its 46th and 47th sessions for reports in 1994 on a number of long-term matters concerning the basis for determining the remuneration for the P and higher categories. Those requests concerned: (a) the operation of FEPCA (resolution 46/191); (b) margin management over a 5-year period (resolution 46/191); (c) conducting periodic checks to determine the highest-paid civil service (resolution 46/191); US special pay systems (resolution 46/191); (e) the application of the Noblemaire principle (resolution 47/216); (f) the structure of the salary scale (resolution 47/216).

Although the various GA requests were generated separately, ICSC considered that the subject-matter of each was so closely related that it should approach the separate reviews in an integrated fashion at its sessions in 1994. The GA would thus receive a report which was internally consistent between its separate elements. ICSC reviewed preliminary information on the status of studies currently under way for finalization in 1994. It noted that while all studies would be conducted concurrently as separate

modules, all recommendations to the GA concerning the studies would be consolidated at the summer 1994 session.

ICSC decided to review the various aspects of the item as follows: (a) developments within the current comparator, i.e., FEPCA implementation and special pay rates, together with margin management under the current arrangements at the spring session in 1994; (b) a report on the organizations' current recruitment and retention difficulties at the spring session in 1994; (c) the study of the highest paid national civil service should receive the highest priority under the item, with work on phase I to proceed immediately for review at the spring session in 1994. If it appeared that another national civil service could replace the current comparator, work should proceed on phase II, so that a complete report could be submitted to the ICSC at its summer session in 1994; (d) the application of the Noblemaire principle would be examined on the basis of a report to be submitted by the ICSC secretariat, in full collaboration with the CCAQ secretariat.

The report should include, *inter alia*, an examination of other organizations which lent themselves to comparisons in that context; (e) the structure of the salary scale would be examined after other aspects of the item had been fully explored with an initial report on salary scale structure provided to ICSC at its spring session in 1994 *[A/48/30, paras. 86-87 and 100]*.

In **resolution 48/224**, the GA took note of the ICSC programme of work relating to specific issues regarding the application of the Noblemaire principle, and in this regard, stressed the universal character of the UN.

1994 **39th session (February/March)**: ICSC considered an analysis of recruitment and retention difficulties prepared by CCAQ *(ICSC/39/R.4/Add.4)* which ICSC had requested in order to assist it in determining whether common system remuneration levels were sufficiently competitive.

The preliminary conclusions drawn from the study were that: (a) common system overall turnover was greater than that of the US federal civil service at comparable grades; (b) approximately one third of all departures were voluntary; (c) voluntary departures - i.e., resignations, non-acceptance of contract renewal and early retirements - occurred on average after six years' service; (d) more than three quarters of all voluntary departures were cases of resignations and non-acceptance of contract renewal; (e) voluntary departures were most critical: (i) at grades P-4 and above, (ii) for nationals from the Western European and other Group; and (iii) in the administrative, technical, scientific and medical areas; (f) an analysis of over 20,000 applications for 455 vacancies in 1992-1993 indicated that, although on average there were 44 applicants for each vacant post, only approximately 3 candidates were deemed to be well qualified for each vacancy; (g) the supply of qualified candidates, especially for positions at levels P-4 and above, was inadequate if organizations were to meet their responsibilities regarding maintaining high standards of competence, efficiency and integrity. That held true for administrative and linguistic as well as for more scientific positions.

ICSC considered that, although the data presented showed that there were some recruitment difficulties at some grade levels in respect of some occupations and nationalities, they did not demonstrate convincingly that the problems were widespread or acute. In particular, it was difficult to establish whether the turnover rates reported were really abnormally high for the international civil service, since no norms had been established in that regard. The inherent difficulties of drawing conclusions from recruitment data were also recognized, given that it was often an exercise in proving negatives. ICSC felt that the data provided a good baseline against which future analyses could be compared and trends established. For future exercises, further data on the reasons for voluntary departures should be

provided: in that regard, case-studies such as those given in the document were useful, although they needed to be supported by statistical data *[A/49/30, paras. 155-161]*.

39th and 40th sessions ((February/March and June/July): ICSC considered that in order fully to address the GA request, a fundamental substantive discussion of the application of the Noblemaire principle was required. It considered whether such a discussion should not be completed before examining the details of each sub-item included in its review. It noted, however, that some technical items could be dealt with in the short-term while others required a longer term study.

ICSC noted the inter-related nature of the various sub-items. It considered that it would have been preferable first to address broad policy considerations before considering the detailed issues. Given the need to address specific questions, however, in order to permit studies to proceed, it considered that the broader discussion of this item could only be conducted at a later stage. A number of items, *inter alia*, the evolution of exchange rates, the role of the expatriation element and supplementary payments would need to be addressed in examining all aspects of the application of the Noblemaire principle *[A/49/30, paras. 47-50]*.

ICSC recalled that according to the schedule of studies it had reported to the GA in 1993, it had intended to study the various interrelated components of this subject concurrently and to provide the GA with a consolidated report in 1994. While it had reviewed studies on all items, it was apparent that some required further work. It therefore decided to report to the GA that: (a) a number of decisions had been made and reported under each sub-item; (b) ICSC intended to continue to study all aspects of the application of the Noblemaire principle; and (c) it would report to the GA on all issues in 1995 *[A/49/30, para. 51]*.

In **resolution 49/223**, the GA acknowledged that the common system must be a competitive employer in order, *inter alia*, to equip it to make the necessary management reforms. It: (a) noted with regret that ICSC had not yet completed the studies on all aspects of the application of the Noblemaire principle and all other related studies; (b) requested ICSC to proceed with all urgency with its study of all aspects of the application of the Noblemaire principle and all other related studies which were outstanding and to submit final recommendations to the GA at the earliest opportunity.

1995 **41st session (May)**: ICSC reviewed a document prepared by the ICSC secretariat *(ICSC/41/R.4)* which recalled the history of the Noblemaire principle and its application. To focus the discussion on the twin elements of the principle and its formulation for application, the secretariat drew a distinction between the two. While the principle expressed an idea which had remained unchanged, the formulation which was used as the instrument for pay determination had differed on the occasion of each review, both before and after the inception of the system and raised a number of fundamental points with regard to the application of the principle with a view to ensuring competitiveness of the UN system. These included: the relevance or otherwise of the international organizations in the application of the Noblemaire principle; changing world realities; comparisons with the public or private sector; home or expatriate civil services; the expatriation factor and the size of the margin. The need to maintain policy coherence in application of both the Noblemaire and Flemming principles in support of Article 101 of the UN Charter was highlighted, as was the issue of supplementary payments by some Member States to their nationals working for the common system *[A/50/30, paras. 61-63]*.

The following options were presented for consideration by ICSC: (a) maintaining the current application of the Noblemaire principle; (b) using international organizations as either comparators or as reference guides to common system competitivity; (c) using the private sector of the country with the highest pay levels as a comparator; (d) using a combination of public and private sectors in a country or group of countries with the highest pay levels; (e) using the highest non-diplomatic

expatriate civil service as a comparator; (f) modifying the margin range to reflect fully comparator expatriation benefits *[A/50/30, para. 64]*.

ICSC noted that an unequivocal rendering of the Noblemaire principle had eluded successive reviews over the last 50 years. Members were not sure that ICSC would succeed, where so many others had failed, in decoding that original statement to the intellectual satisfaction of all concerned. Nor was such an exercise considered entirely necessary. Basically, the questions that needed to be addressed were: was it generally agreed that the underlying premise of the Noblemaire principle had been to ensure that UN salaries were competitive? If so, were UN system salaries still competitive and by comparison with which employer or employers? If not, what should be done to rectify the situation? Some members stated that under the Noblemaire principle, conditions of service should be such as to attract nationals from the highest paid national civil service. There was support for the thesis that the UN system was experiencing problems of competitivity.

There then arose the question of the employers with which the UN system was competing and, as a corollary, the formula that should be used to restore competitivity. In this connection, it was reaffirmed that a distinction had to be drawn between the principle itself and the formula for its application. It was recalled that the UN system was nowadays competing on much more diverse markets than it had in the 1920s. A view was expressed that the notion of competitiveness in the labour market for comparable work amounted to an extension of the Noblemaire principle. Others had no difficulty with what they saw as essentially updating the interpretation to make it more relevant to modern-day requirements.

A wide-ranging exchange of views took place on the most appropriate manner of applying the Noblemaire principle. In this connection it was noted that, prior to the establishment of ICSC, the Noblemaire principle had been applied in a relatively flexible manner: moreover, even after ICSC had stated the formulation as being by reference to the highest-paying national civil service, there had not, for a certain period, been rigid adherence to pay levels in the comparator civil service. In the 1970s, salary increases had been granted on the basis of competitivity, using the comparator civil service as a reference point. In the mid-1980s, with the introduction of strict margin management, additional constraints had been imposed.

A view was expressed that the national civil service formulation should not be lost sight of.

Others wondered whether reference to a single national civil service was a workable formula. It was true that the same comparator civil service had been used since the inception of the UN and that formula had worked relatively well for some time because the comparator civil service had been unquestionably the highest paid. However, doubts on that score had been growing for some years and had now reached a crescendo: there was perhaps now a likelihood that the comparator would be replaced. With the synergistic relationship between the two services that had built up over the years, that change might be difficult enought to effect. If, after a few years, another civil service were identified as the highest paid, yet another shift would occur. Those considerations seemed to indicate a more nuanced approach to reference points.

In that connection, it was noted that a basket of national civil services had the conceptual drawback of including employers who paid less than the best. Possible alternatives to this approach included the use of a single comparator in conjunction with a series of reference points. Exactly which comparator and what reference points should be selected might better be left for a later round of discussion. A variety of views was expressed on the use of international organizations as reference points. Some considered these organizations as potentially useful reference points, given their functional congruence with the UN system: in the view of others, the limited membership and/or different mandates of these institutions made them inappropriate reference points for an international workforce like the UN

system. Still others had an open mind on the subject. It was generally felt that these institutions should not be used as comparators per se.

It was noted that one of the options put forward in the secretariat paper was adjustment of the margin range, and it was felt that that possibility should not be ruled out. Another element in the equation was the trend in the outside world towards privatization of the public sector, which was rather advanced in some countries. This might suggest the use of a mix of public and private sectors *[A/45/30, paras. 73-86]*.

42nd session (July/August): ICSC resumed discussion on the long-term aspects of the Noblemaire principle after consideration of the other related studies *(see sections 1.20, 1.30 and 1.40 below)*. Time constraints did not permit a reconsideration of all the detailed aspects initially discussed at the 41st session. It was observed, however, in the light of the various other studies that the identification of a comparator civil service had become more difficult over time. Some civil services were easier to compare with than others by virtue of their size and structure. However, those that were easily comparable were not necessarily the best paid. Thus the ideal comparator in terms of structure might well not be particularly competitive, while the best paid might not be particularly comparable. ICSC decided to report to the GA that: (a) the review concerning all aspects of the application of the Noblemaire principle indicated that the principle had been subject to a series of different formulations since 1921. A wide variety of formulations had been used at different times, but the current practice of using the best paid national civil service formulation, combined with a reference check with international organizations, appeared to be sound as long as the process of identifying the comparator civil service was handled on a timely basis and the margin range realistically reflected comparator expatriation benefits;and (b) the GA may wish to consider reconfirming the continued applicability of the Noblemaire principle based upon: (i) the use of periodic checks to determine the highest paid civil service; and (ii) the use of a margin range appropriate in relation to the value of expatriate benefits *[A/50/30, paras. 88-89]*.

In **resolution 50/208**, the GA: (a) reconfirmed the continued application of the Noblemaire principle; (b) reaffirmed the need to continue to ensure the competitiveness of UN common system conditions of service; (c) decided to defer its consideration of chapter III A of the 21st annual report to the resumed 50th session *(see sections 2.1.20, 2.1.30 and 2.1.40 for further details)*. The GA also: (a) took note of the recruitment and retention problems faced by some organizations in respect of certain specialized occupations; (b) recalled its endorsement in principle of the use of special occupational rates (see section 2.1.140) in organizations with problems of recruitment and retention, and (c) in this context, requested the organizations to collect data to substantiate those problems, and ICSC to make recommendations regarding the conditions for the application of such rates, as appropriate.

1996 **43rd session (April/May)**: In response to resolution 50/208, ICSC reconsidered certain aspects of its review of the Noblemaire principle *(see sections 2.1.30 and 2.1.40 for details)*. It emphasized that in resolution 47/216, the GA had set a clear objective for the review of the Noblemaire principle and its application. When, in the context of that review, ICSC had examined general issues surrounding the Noblemaire principle, there had been general agreement that the intent of the Noblemaire principle had been to ensure competitiveness as well as support for the thesis that the competitiveness of the UN remuneration system had eroded in recent years. It thus followed logically that ICSC's efforts in the review would be focused on honing the system's competitive edge. The set of measures recommended by ICSC under the Noblemaire studies, taken as a whole and in its specifics, had been directed to that end. ICSC considered it significant that, in resolution 50/208, the GA had reaffirmed the continued applicability of the Noblemaire principle as well as the need to maintain the competitiveness of the UN common system as an employer. The two pillars on which ICSC had built its work had thus been reinforced by the GA. It was also considered by some that while the GA in resolution 50/208 had

requested ICSC to reconsider its decisions, the basis for the Assembly's request was not clear. ICSC made it clear that the developments that had occurred in the US/UN net remuneration comparison process had been no more than a response to changes that had been introduced incremental over time by the comparator. The response to the incremental changes in the comparator had led to features in the comparison process which the ICSC had never examined in the broader context of the competitiveness of the remuneration package. The review of the application of the Noblemaire principle had provided the opportunity for such a review. The GA had established the objective of that exercise as one of ensuring the competitiveness of the UN common system *[A/50/30/ Add.1, paras. 12-14]*.

ICSC reexamined in detail the two elements (margin methodology and highest-paid national civil service) of the application of the Noblemaire principle to which the GA had drawn its particular attention *(see sections 2.1.20 and 2.1.40 for further details)*.

At its resumed 50th session, the GA decided, by **decision no. 50/514**, to take note of the ICSC report, including its addendum, and defer its consideration to the 51st session.

In **resolution 51/216**, the GA: (a) recalled its resolutions related to the study of all aspects of the application of the Noblemaire principle; (b) further recalled its resolution 50/208, by which it decided to defer consideration of the Noblemaire principle and its application and requested ICSC to review the recommendations and conclusions, taking into account the views expressed by Member States at the 50th GA session, in particular regarding the appropriateness of the reduction of dominance and the treatment of bonuses in determining net remuneration comparisons; (c) reconfirmed the continued application of the Noblemaire principle; (d) reaffirmed the need to continue to ensure the competitiveness of the conditions of service of the UN common system.

2004 **59th session (July):** ICSC recalled that, since its establishment, it had reviewed the Noblemaire principle and its application on a number of occasions. The last review of the principle had been conducted in 1995 and at that time it had concluded that a wide variety of formulations had been used at different times, but the current practice of using the best paid national civil service formulation, combined with a reference check with international organizations, appeared to be sound as long as the process of identifying the comparator civil service was handled on a timely basis. ICSC indicated that the intent of the Noblemaire principle was to ensure that UN compensation was competitive and that organizations were able to recruit from all Member States including the one with the highest-paid civil service. Given this clear objective, ICSC did not see the need to reexamine the principle. On the other hand, the question that needed to be answered was whether the UN was still competitive as an employer and if it was not what should be done to rectify the situation [*A/59/30, paras. 263-272*].

ICSC recalled that on previous occasions it had stated that comparison should be made to the highest paid national civil service and felt that that approach should be continued. If it turned out that the current comparator was no longer the highest paid civil service under the approved methodology then ICSC would identify another national civil service that would meet the requirements of the methodology in terms of size, job design etc.

ICSC decided to report to the GA that in applying the Noblemaire principle its current practice of using the highest-paid national civil service, combined with a reference check with international organizations, was sound. ICSC had on its work programme for 20052006 a study to determine the highest-paid civil service, including a total comparison between the UN and the US federal civil service [*A/59/30, 273*].

The General Assembly, in its **resolution 59/268**, reaffirmed the continuing application of the Noblemaire principle and also reaffirmed the need to continue to ensure the competitiveness of the conditions of service of the United Nations common system. It took note of the decisions of the Commission contained in paragraph 273 of its annual report.

SECTION 2.1.20
HIGHEST PAID CIVIL SERVICE

1976 **3rd session (March)**: ICSC considered a study prepared at its request to ascertain whether the salaries of any other national civil service were higher than those of the US. ICSC felt that there was no evidence to support a conclusion that the US federal civil service, which for the past 30 years had been taken as the guide in establishing the level of UN remuneration, should no longer be used for that purpose. It agreed that the question should be kept under review; that, in doing so, the comparison should be limited to national civil services employing significant numbers of staff at the relevant levels and having established grading patterns and conditions of remuneration and benefits; and that studies should be pursued with a view to arriving at a methodology permitting comparison of "total compensation", including such elements as pension, insurance and other monetary benefits *[A/31/30, para. 131]*.

ICSC agreed that in the comparing remuneration of the UN system with that of the US civil service, the principal comparison should continue to be made in terms of net remuneration of a married official without children (that is, on the US side, net salary after payment of income taxes; on the UN side, net salary plus PA, plus spouse allowance, if maintained). Comparison should be made with the remuneration of the domestic national civil service, but the differences between a domestic service and an international service should not be overlooked. In considering the differentiation between remuneration of staff without dependants and that of those with dependants, net remuneration of a single US civil servant would, of course, also have to be taken into account *[A/31/30, para. 154]*.

It was also necessary to decide in which city the remuneration of US civil servants should be compared with that of UN officials. This question arose because, while US civil service salaries are nominally uniform throughout the country, the real value of US remuneration varies on account of intercity differences in cost of living and in the levels of income taxes; the UN system, on the other hand, sought to maintain equality of the real value of remuneration in all duty stations and so makes allowances for differences in levels of cost of living through the PA system *[A/31/30, para. 155]*.

ICSC concluded that the comparison between US civil service remuneration and that of the UN system should be made between the headquarters of the two systems, that is, Washington on the one hand and New York on the other, the difference in cost of living between the two cities (as shown by the UN PA index) being taken into account *[A/31/30, para. 167]*.

ICSC considered that, in fixing the level of UN remuneration in relation to that of the US Civil Service, due regard should be had to the differences between the two services, in particular the predominantly expatriate character of UN service. However, in the opinion of the majority of the members of ICSC, it would be inappropriate to define a precise optimum margin between UN remuneration and that of the US. To do so would risk tying UN remuneration in too rigidly mathematical a manner to that of a single country. The appropriate level should be determined pragmatically, taking into account all relevant factors *[A/31/30, para. 184]*.

1979 **9th session (February/March)**: Doubts had continued to be expressed both in ICSC's debates and in the Fifth Committee as to the validity of the assumption that the US Federal Civil service was still the highest paid civil service. ICSC agreed to study this question in due course and requested its secretariat to prepare a study on the methodological aspects of such a study *[A/35/30, para. 109]*.

10th session (August): In response to that request, the secretariat submitted a note outlining the preliminary considerations relating to a study leading to the identification of the highest paid civil service *[A/35/30, para. 110]*.

ICSC endorsed the basic guidelines which it had put forward in para. 131 of its second annual report *(A/31/30)*. Having heard the views of the organizations and of the staff and having identified a number of the methodological problems likely to arise, ICSC decided to continue its study of the matter at its next session on the basis of revised proposals *[A/34/30, paras. 129 and 130]*.

ICSC decided to proceed one step at a time; for the present it would restrict itself to a pilot study involving the US Civil Service and only one other country. Since one of the main arguments which prompted ICSC to make the study in the first place was that some of the countries paid salary supplements to their nationals to accept positions with the UN common system, it would be logical to choose one of these countries for the pilot study. Being aware of the existence of national legislation enacted by the Federal Republic of Germany (FRG), Japan and the US, which allowed these countries to make supplementary payments to their nationals working for organizations of the UN system *(see also section 2.1.100)*, ICSC decided that the FRG should be used for comparison with the US Civil Service in the first instance. It therefore requested its secretariat to collect all data that might be relevant to the pilot study and submit a progress report to the 12th session *[A/34/30, para. 112]*.

1980 **12th session (July/August)**: Following an examination of the data, ICSC requested the secretariat to submit at its 13th session a progress report on information relating to the civil service of the FRG in: (a) grade equivalencies; (b) remuneration and other conditions of employment; (c) all benefits relevant to the study; (d) preliminary analysis of some of the non-salary benefits; (e) any additional data that might be relevant to the study.

ICSC agreed that the comparison of remuneration at matching grades between the civil services of US and FRG would be made in two stages. Firstly a comparison would be made between the remuneration of the UN staff in the P and higher categories in New York with that of the officials of the Federal Republic of Germany in Bonn. In the second stage, the results of the UN/FRG comparison would be compared with those obtained from the UN/US comparison made by ICSC for the purpose of the determination of the margin. ICSC agreed to make this final comparison at its 13th session following an examination of the data presented to it by the secretariat with a view to completing the study at the 14th session, when ICSC would draw conclusions from it and report to the GA on its findings *[A/35/30, paras. 113 and 114]*.

1981 **13th session (February/March)**: ICSC examined a document submitted by its secretariat which outlined the procedure that would be used in establishing grade equivalencies between the civil services of the FRG and the UN. It also examined a list of elements of remuneration applicable on both sides and noted that, in order to quantify some of those elements, its secretariat had proposed to use the modified total compensation comparison methodology developed by the US Government for its own purposes which ICSC was also using for the UN/US total compensation comparison. In this connection, ICSC noted that it would be using a methodology for comparison of some of the non-cash elements of remuneration, notably the pension element, which it had not had an opportunity to test previously. It agreed, however, that although some of the benefits applicable to the civil service of the FRG were difficult to quantify, and therefore might not be taken into account in the final comparison, a worthwhile study based on the elements of compensation applicable on both sides could and should be made *[A/36/30, para. 71]*.

Based on the information placed before it, ICSC agreed that the doubts it had expressed previously concerning the validity of a comparison between the civil services of the UN and the FRG based on salaries alone were well-founded and that any meaningful comparison between these two civil services

would have to take into account non-cash benefits applicable on both sides. Following an examination of the elements of compensation applicable on both sides, and subsequent to an analysis of these elements, ICSC concluded that the single most important non-cash benefit which was likely to influence the results of the comparison was the pension benefit. In view of the differences in career spans, however, ICSC observed that the process of quantification and comparison of pension benefits had encountered some serious difficulties. It further noted that, owing to the complexities of the formula used by the Government of the FRG for the calculation of the monies transferred to the social security system on behalf of the civil servants who withdrew from the service before reaching retirement age, this benefit had not been taken into account in the present study. It was, therefore, of the opinion that studies must continue to assess the impact of the differences in retirement ages and career spans and also of the exclusion of withdrawal benefit applicable on the side of the FRG on the pension benefit values *[A/36/30, para. 75]*.

As for the use of the spot exchange rate to convert salaries in Deutsche Marks to their dollar equivalents and the UN PA index to adjust for the differences in purchasing power, ICSC agreed that, although it had reached specific conclusions regarding these matters at its previous sessions, the questions required further consideration. It therefore requested its secretariat to study alternative means of adjusting for differences in currency and purchasing power and to report its findings to ICSC at its 15th session. ICSC noted that, as a result of the difficulties it had encountered in the quantification and comparison of pension benefits and, because of the procedures that had been used to adjust the differences in currencies and purchasing power, it had not been able to assess the relative levels of the remuneration packages applicable on both sides at this stage. It was, nevertheless, of the opinion that the preliminary examination of the data placed before it had led it to believe that there was no evidence to suggest at the present time that the US federal civil service should be replaced as the "comparator" under the Noblemaire principle *[A/36/30, paras. 77 and 78]*.

FICSA requested a 10 per cent increase in salary for staff in the P and higher categories ith effect from January 1982. ICSC recognized that the various studies on P salary matters had been time-consuming. However, no evidence had emerged indicating that the US civil service was no longer the highest paid, whether comparisons were made on the traditional basis or on total compensation. Accordingly, ICSC continued to be guided by the margin between the remuneration of the UN common system and the US civil service. Although the required margin had never been quantified, ICSC noted that the current trend had been for a widening of the margin. ICSC concluded that it could not support the proposal of FICSA *[A/36/30, para. 84]*.

1982 **15th session (March)**: ICSC decided that the US should continue to remain the comparator under the Noblemaire principle *[A/37/30, para. 103]*.

1988 **27th session (March)**: As part of its continuing responsibilities in this area, ICSC decided to collect data on salaries and pensions from the national civil services of Canada and the FRG. It further decided to limit the scope of the study until such time as the examination of the initial data collected provided an indication of a potentially better comparator than the current one *[A/43/30, para. 27]*.

28th session (July): Based on grade equivalencies for the FRG, established at the time of the comparator country study conducted in 1981, and a current study of a preliminary nature on grade equivalencies for the Canadian civil service, ICSC examined the details of the level of net remuneration for both civil services. Pensions were also examined, although primarily on the basis of key provisions of the relevant schemes. ICSC decided not to take any action on the basis of its preliminary study, but rather to consider this issue in the context of its comprehensive review of the conditions of service of the P and higher categories requested by the GA *[A/43/30, paras. 28 and 29]*.

In resolution 43/226, as part of the guidance it provided to ICSC on the comprehensive review *(see section 2.1.90)*, the GA noted that the Noblemaire principle should continue to serve as the basis of comparison between UN emoluments and those of the highest-paying civil service which, by its size and structure, lends itself to such comparison.

1989 **30th session (July/August)**: In the context of its comprehensive review of the conditions of service of the P and higher categories *(see section 2.1.90)*, ICSC undertook a review of the Noblemaire principle *(see section 2.1.10)* and the comparator. It noted that, while the GA had confirmed the use of the US federal civil service as the current comparator, the terms of resolution 43/226 did not preclude the eventual use of a different comparator civil service. ICSC also noted that some members of the Working Group on the Comprehensive Review had expressed the view that a study should have been carried out in the context of the comprehensive review to determine whether the US federal civil service was still the highest paid. ICSC concluded, however that in the time available for the completion of the review, it was not feasible to embark on such a study, the more so since, by its nature, it would need to be conducted on a total compensation basis. ICSC agreed, however, that a check on the competitiveness of the current comparator wasextremely important and should be undertaken at the earliest opportunity, and that further checks on the validity of the comparator should be conducted periodically thereafter, for example, every five years. It therefore agreed that a methodology for conducting such checks should be finalized.

With regard to the possible use of a basket of comparators, ICSC considered that establishing such comparisons would be a very complex undertaking, involving a series of grade equivalency studies and problems related to the use of different exchange rates. Furthermore, a basket containing employers paying less than the highest paid would, by definition, result in levels below the highest paid and would thus be contrary to the Noblemaire principle.

With regard to the use of international organizations as well as foundations in the comparator country as a point of reference, some ICSC members believed this to be at variance with the provisions of the GA resolution, while others considered that a degree of indirect reference might be possible *[A/44/30, vol. II, paras. 142-144]*.

ICSC decided to recommend to the GA that, in the application of the Noblemaire principle as the basis for determining the conditions of service of the UN staff in the P and higher categories, the comparator should continue to be the highest paid national civil service. A periodic check of the highest paid national civil service should be made every 5 years *[A/44/30, vol. II, para. 173 (a)]*.

In **resolution 44/198**, the GA endorsed the ICSC recommendation to conduct periodic checks, every 5 years, to determine the highest-paid national civil service and consequently requested ICSC to propose a methodology for carrying out such checks to the GA at its 46th session.

1990 **31st session (March)**: ICSC reviewed a document *(ICSC/31/R.8/Add.10)* describing the work to be undertaken on the identification of the highest-paid national civil service, in response to the GA's request and in view of ICSC's intent to revert to the item after the comprehensive review. ICSC's guidance was requested with regard to competitiveness issues, selection of comparators and a timetable for the exercise. ICSC decided to request its secretariat to provide it, in March 1991, with a methodology to identify the highest paid national civil service. It instructed its secretariat to develop a flexible methodology that would take into account the need to conduct an initial study to identify potential comparators, to be followed by a more refined comparison once it was apparent that a potential comparator might replace the current one. In that regard, ICSC recognized the need to apply the proposed methodology on a test basis to several potential comparators. Based on the methodology, the second phase of the exercise could then proceed *[ICSC/31/R.15, paras. 100-101 and 107-111] [Reported also to the GA in A/45/30, paras. 170-172]*.

1991 **33rd session (March)**: ICSC reviewed a progress report *(ICSC/33/R.5)* on the development of a methodology for the identification of the highest paid national civil service. In the document a step-by-step approach was proposed. It was noted that 11 potential comparators had been selected, for whom basic information on the job classification, compensation and pension programmes had been obtained. ICSC noted the volume of data obtained thus far in the study and expressed concern with regard to the effort and resources that would be required to develop a comprehensive methodology. It considered that a two-phased approach would be more appropriate than that outlined in the secretariat document. In the first phase, the remuneration, job classification practices and pension schemes of potential comparators would be examined with a view to developing a general methodology. The second phase would proceed only if and when ICSC considered it reasonable to believe, based on the results of phase I, that the short-listed potential comparators were likely to prove to be superior to the current comparator *[ICSC/33/R.16, paras. 41-48 and annex IV]*.

34th session (August): In reverting to the issue, ICSC further refined the two-phase approach, and decided to recommend to the GA a methodology for conducting checks every 5 years to determine the highest-paid national civil service *[A/46/30, vol. I, paras. 151-159 and annex V]*.

By **resolution 46/191**, the GA endorsed ICSC's conclusions in respect of a methodology for conducting checks to determine the highest paid civil service, and requested that the development and application of this methodology be carried out as economically as possible. The GA invited ICSC to analyse the potential consequences of the Federal Employees' Pay Comparability Act (FEPCA) on the pay levels of the current comparator, and report thereon to the GA at its 49th session. In this analysis, ICSC was also to provide full details of all the special pay systems which had been introduced by the comparator. ICSC was requested to seek the views of the GA on this matter after the completion of phase I of the methodology.

1993 **38th session (July/August)**: In considering a proposed work programme on a number of separate but related requests from the GA in the area of P remuneration *(see section 2.1.10)*, ICSC noted that the study of the highest-paid national civil service had been planned for a number of years. It therefore considered that the study should now receive the highest priority. In that regard it noted that the GA had requested the completion of phase I of the study in 1994. It considered that if phase II of the study were to be completed thereafter, the complete study could not be presented to the Assembly until 1996 because of the biennialization of the work programme of the GA. ICSC expressed the view that should the work under phase I of the study make it appear likely that a national civil service was better paid that the current comparator, it might proceed to phase II and attempt to provide the GA with a report on both phases I and II in 1994. *[A/48/30, para. 93]*.

ICSC then reviewed the GA's request that ICSC study all aspects of the application of the Noblemaire principle with a view to ensuring the competitiveness of the UN common system. It agreed that implicit in the way the request was formulated was that the Noblemaire principle should continue to be the basis for determining the salaries and conditions of employment of the Professional and higher categories of staff. It was noted that under the current application of the Noblemaire principle, the remuneration of UN Professional and higher category staff was determined by reference to that of the highest-paid national civil service, currently the US federal civil service. As to the scope of the study, views in ICSC differed. Several members were of the view that if studies were limited to the current application of the Noblemaire principle, ICSC would be responding only partially to the Assembly's request. They therefore agreed that ICSC secretariat should collect relevant information from other international organizations, namely the World Bank group, the European Community (EC), and the Organisation for Economic Cooperation and Development (OECD). A request for data from sources other than national civil services did not imply that a decision had been made to extend comparisons beyond the civil services: such a decision could be made only after all relevant information was on

hand. However, if such information were not collected, that would amount to an *a priori* decision to restrict the application of the principle to the current framework.

Other members were of the view that only after ICSC had reached some conclusions regarding the highest-paid civil service should a decision be made as to whether comparisons should be extended beyond the current application of the Noblemaire principle. The question was not whether a better-paying employer could be identified, but whether current pay was adequate to recruit and retain staff of the required calibre. Of critical importance in the context of all studies pertaining to the application of the Noblemaire principle was the issue of whether the organizations were able to recruit and retain staff of the required calibre under the existing remuneration package. Those members considered that, along with the study on the identification of the highest-paid civil service, a report on the current recruitment and retention difficulties faced by the organization should also be submitted to ICSC. Pending a review of such data, it would be premature to conclude that there was a need to extend the application of the Noblemaire principle beyond the current system.

ICSC noted that the organizations had carried out some studies concerning the application of the Noblemaire principle and that a considerable amount of information and analysis was already available for examination by the Commission at its spring session in 1994.

ICSC noted that issues related to the salary scale structure *(see section 2.1.60)* were interlinked with other aspects of its review of that item and would therefore need to be considered in that context *[A/48/30, paras. 95-99]*.

ICSC decided that the study of the highest-paid national civil service should receive the highest priority under the item, with work on phase I to proceed immediately for review at the spring 1994 session. If it appeared that another national civil service could replace the current comparator, work should proceed on phase II, in order for a complete report to be submitted to ICSC at its summer 1994 session.

In **resolution 48/224**, the GA took note of the programme of work of ICSC outlined in its annual report relating to specific issues regarding the application of the Noblemaire principle and, in this regard, stressed the universal character of the UN.

1994 **39th session (February/March):** ICSC reviewed an analysis of the remuneration levels of potential comparators *(ICSC/39/R.4/Add.3)*. It noted that, of the 11 potential comparators for which data had been available as a result of an initial examination of the exercise in 1991, 3 had been selected for a study under phase I of the ICSC methodology. Although the French national civil service could possible have been included, data requirements of the study precluded its consideration. of the 3 national civil services included in the phase I exercise, ICSC noted that the Swiss, German and Japanese civil services seemed to rank first, second and third, respectively, in the initial comparison. The relatively low numbers of Swiss national civil service staff might preclude its use as a comparator, but that could not be determined until the completion of phase II of the exercise, which required, *inter alia*, a detailed grade equivalency study. It noted that the use of Germany as a comparator had technical implications related to the planned relocation of the capital from Bonn to Berlin. It also noted the planned freeze of German national civil service salaries for 1994 which might affect future comparisons. With regard to the Japanese national civil service, ICSC noted the high degree of stability of the service over the last 30 years, in terms of both staffing levels and adherence to salary levels in the private sector. However, there were potentially serious technical difficulties which would be faced in any comparison arising out of job classification arrangements which made the determination of grade equivalencies particularly arduous. ICSC expressed concern about the resource requirements for a phase II study of all three national civil services. It considered in this regard that if

resources and time requirements were not an issue, it would be preferable to proceed with a phase II exercise for all 3 national civil services.

ICSC noted that the GA considered that the highest priority should be assigned to this study. It appeared, however, unlikely that all necessary work on phase II could be completed within the few weeks remaining until the 40th session. In view of the biennialization of the GA's work programme it would appear unlikely that the results of the study could be presented to the Assembly before 1996. ICSC considered that it should further review the procedural options available at is 40th session when there would be a clearer picture available as to the progress of studies requested.

As regards the GA's request to ICSC to study all aspects of the application of the Noblemaire principle with a view to ensuring the competitiveness of the common system, divergent views were expressed. With regard to the consideration of international organizations in the context of the application of the Noblemaire principle, ICSC noted that the original formula for application of the principle referenced a civil service and not a national civil service. It was further noted, however, that at that time only one international civil service existed, i.e., that of the League of Nations, thereby making it redundant to specify a national civil service. Some members were of the view that direct comparisons could be carried out with other international civil services such as the World Bank and OECD. Some members disagreed with this position and were of the view that while direct comparisons should continue to be made with the national civil services which lent themselves to comparisons, it might be useful to collect data on the salaries and conditions of service offered by the World Bank. Others were of the view that in the application of the Noblemaire principle only the national civil services should be considered for comparisons. Although some ICSC members considered that it would be useful to proceed to a phase II type of exercise with regard to the World Bank and OECD, others did not consider that such an exercise would provide significant usable information and preferred instead to proceed with all three national civil services. A view was expressed that while a phase II comparison should proceed with only the selected national civil services, data on the conditions of employment offered by the World Bank could be usefully collected. Members in favour of a further study of international organizations did not consider that the collection of additional information would bind ICSC to any specified course of action.

ICSC decided that it would: (a) proceed to a phase II study of the German and Swiss national civil services in the context of determining the highest paid national civil service; (b) proceed to collect further information on the World Bank and the OECD for reference purposes; (c) request its secretariat to provide it with a progress report at its 40th session on both (a) and (b) above so that it would be able to report appropriately to the GA *[ICSC/39/R.10, paras. 77-91]*.

40th session (June/July): ICSC considered a progress report by its secretariat on the initial stages of the study *(ICSC/40/R.5/Add.2)*. It noted that, as anticipated, the relatively short time between the 39th and 40th sessions had been insufficient to complete the study. Nevertheless, it had hoped that more detailed information could have been presented at that point. ICSC decided to note the progress report and to request its secretariat to submit a full report on the completed study to the 42nd session *[A/49/30, para. 121]*.

The GA, in **resolution 49/223,** took note of ICSC's decision to proceed to a phase II study of the national civil services of Germany and Switzerland in the context of determining the highest paid national civil service.

1995 **41st session (May)**: ICSC was provided with a structured explanation of the various steps under phase II of the comparison methodology for identifying the highest paid national civil service approved by the GA in 1991: (a) Grade equivalenciesAll grade equivalencies carried out were modelled on the

method and process used in comparisons between the UN common system and the US federal civil service. The process consists of 5 components: (i) Job selection. In order to ensure the relevance of the exercise to the common system, a profile was established of the most populous common system occupational groups at the most populous common system grades. On the basis of the above, the relevant occupational groups were identified in the various departments of the comparator under study. A job sample was established on that basis; (ii) Data collection. Data for the jobs in question were obtained through completion of the ICSC job description questionnaire/available comparator job descriptions/incumbent interviews, together with other available data; (iii) Job evaluation. The jobs selected were evaluated on the basis of the ICSC Master Standard. Each job was evaluated independently by two experienced job classification specialists of the UN common system. The individual results were compared and any differences were subject to a third review; (iv) Data analysis and results. "Equivalent" jobs were distributed by common system grade levels; (v) Validation. A random sub-sample of the jobs used in the exercise was selected. Classification specialists of the comparator/potential comparator were trained in the application of the ICSC Master Standard. The classification specialists then evaluate the sub-sample using the Master Standard. Results were compared and reconciled, and any necessary adjustments were made in the study results; (b) **Remuneration comparisons:** All relevant salary elements were included in cash remuneration comparisons for occupational groups/grades determined to be equivalent. Gross salary elements were converted to net amounts based on the applicable tax system. Where necessary, net salary amounts were adjusted for cost-of-living differences between the duty station selected as the place of comparison and the potential comparator's headquarters base. In the case of the study of the highest paid national civil service, remuneration comparisons were based on total compensation *[ICSC/41/R.19, para. 119]*.

ICSC had before it the results of the **grade equivalency study with the German federal civil service** *(ICSC/41/R.5/Add.1 and ICSC/41/CRP.6)* as well as the 1995 grade equivalency study with the current comparator *(see sections 2.1.30 and 2.1.40 for details) (ICSC/41/R.5/Add.2 and appendix, ICSC/41/R.5/Add.5)*.

Further to the decision, at its 39th session, to collect data on the **World Bank and OECD** for reference purposes, ICSC had before it details of grade equivalency studies and remuneration comparisons between the UN common system and those two institutions *(ICSC/41/R.5/Add.3) (see also 2.1.30) [ICSC/41/R.19, para. 164]*.

ICSC was informed that based on the results of grade equivalency studies carried out by the ICSC secretariat, OECD and World Bank remuneration levels were 49.5 and 36.9 per cent, respectively, above those of the UN common system. Benefits of both organizations were compared with those of the common system on the basis of a review of benefit provisions and appeared more generous. Both OECD and the World Bank had raised issues of detail with regard to the grade equivalency study and related remuneration comparisons. The secretariat had completed consultations with OECD officials in that regard *(ICSC/41/CRP.4)*; those consultations had included a detailed review of the remuneration calculations, which OECD officials had agreed were accurate. ICSC was thus invited to endorse the conclusions reached by the secretariat in respect of OECD. The issues raised by the World Bank had not yet been resolved in full, because further time was required to undertake an additional batch of job classifications. It was proposed, therefore, that ICSC be provided at its 42nd session with an updated analysis of World Bank grade equivalencies and related remuneration comparisons *[ICSC/41/R.19, para. 166]*.

Noting that consultations were continuing on the World Bank grade equivalencies, which were thus not final, ICSC decided to limit itself at the current session to a consideration of the OECD results. It noted that those results showed a very sizeable difference between the remuneration packages of

OECD and the common system, using Washington, D.C., as a base. While confirming that the secretariat's use of Washington as the place of comparison was technically correct in terms of the established methodology, ICSC considered that Paris would also be a reasonable basis for comparison, given that OECD had very few staff in Washington. It noted, however, that remuneration comparisons conducted with Paris as the base of comparison yielded results virtually identical to those using Washington as the base. Some felt that a more comprehensive total compensation comparison (including not only a broad range of allowances and benefits, but such elements as recruitment requirements, merit/seniority considerations, career span, security of employment, etc.) would have been desirable. On balance, however, it was concluded that the investment of time and money required would not be warranted in the context of reference studies. ICSC took note of the information before it and concluded that the OECD grade equivalency exercise, which had a validation rate of 95 per cent, had been carried out in a professionally rigorous manner. The remuneration comparisons conducted on the basis of the grade equivalencies showed the remuneration package of OECD to be in the order of 50 per cent above that of the UN system. Note was also taken of the information contained in a document *(ICSC/41/R.5/Add.4)* submitted by CCISUA regarding OECD social security provisions. Although a full actuarial evaluation had not been carried out, the OECD pension and health insurance schemes appeared to be more generous than those of the UN *[ICSC/41/R.19, paras. 172-173]*.

The question was raised whether OECD, which was an organization with a limited membership of mainly developed country Member States, could be an appropriate point of reference for a universally based employer like the UN system. It was, however, pointed out that OECD member States accounted for a significant proportion of both the budget and the staff of the UN system; over 55 per cent of common system P staff were drawn from OECD member countries and those countries provided approximately 80 per cent of the cost of UN budgets. Others pointed out that the OECD remuneration levels were paid exclusively to the nationals of the 25 OECD member States. Some considered that, quite apart from the fact that the scope of OECD membership was expanding, the inference that pay levels might be set below the best because of the universal membership of the UN was contrary to the intent of the Noblemaire principle. Such an approach could only aggravate the problem of supplementary payments. Questions were also raised as to whether the World Bank, which was considered to be a profit-making institution, was an appropriate reference point for the common system. Some considered that World Bank remuneration levels incorporated an element of compensation for high-risk investment banking functions. While recognizing that as a factor, ICSC noted that jobs in the finance and investment sectors/disciplines together accounted for only around 13 per cent of World Bank professional staff. It was pointed out in that regard that the World Bank was reassessing its mandate and in that process was considerably expanding its field presence. ICSC took note of statements by several organizations stressing the functional congruence between the UN system and the World Bank. Organizations referred in that regard to a number of joint programmes in which UN system and World Bank staff worked side by side on projects, performing the same functions; attention was also drawn to the consequent problems of loss of staff to the World Bank associated with such situations. With the shifting dynamics of programme delivery, that occurrence would only increase *[ICSC/41/R.19, para. 174-175]*.

On the basis of the above considerations, the overall view in ICSC was that it would be appropriate to use OECD and the World Bank as reference indicators for the competitiveness of UN system salaries. ICSC concluded, on the basis of the information before it, that the compensation package of the UN system was not competitive with that offered by OECD for equivalent jobs requiring similar levels of competence. Noting that the mandate given by the GA in its resolution 47/216 was quite broad, general and couched in terms of the need to maintain competitiveness, some members considered that it would be appropriate for ICSC to bring that information regarding a competitive employer to the attention of

the GA in the context of its study of all aspects of the application of the Noblemaire principle *[ICSC/41/R.19, para. 176-177]*.

ICSC decided to note with appreciation the established grade equivalencies for OECD and to report to the GA that: (a) the staff of OECD was recruited from its 25 member countries; (b) on the basis of the established grade equivalencies for OECD, remuneration comparisons made at Washington, D.C., and Paris showed that OECD cash remuneration was above that of the UN common system levels in the order of 50 per cent; (c) although a full actuarial evaluation had not been conducted, it would appear that, on the basis of a review of benefit provisions: (i) the OECD retirement scheme was more generous; (ii) the OECD health insurance scheme was better than the UN (New York) health insurance schemes because of the higher proportion of expenses covered and the lower employee contribution; (d) on the basis of the above, it appeared that the compensation package of the common system was not competitive with that offered by OECD for equivalent jobs requiring similar levels of competence. ICSC noted that further information with regard to the World Bank grade equivalencies had yet to be provided *[ICSC/41/R.19, paras. 178-179]*.

42nd session (July/August): ICSC was presented with the results of the comparison with the **Swiss federal civil service** *(ICSC/42/R.6, Parts I and II)*. The grade equivalency study included a sample of 105 jobs in the Swiss civil service which had been graded against the ICSC Master Standard in accordance with the standard method and process. The validation exercise by Swiss classification specialists had resulted in a confirmation rate of over 90 per cent.

In respect of the total compensation comparisons, the outside consultant retained for the detailed pension and health insurance analysis reported that Swiss civil service pension and health insurance benefits were valued considerably below those of the US federal civil service. Swiss civil servants paid half the cost of pension benefits, whereas the US paid for more than half of this benefit for its employees. As regards health insurance benefits, the Swiss civil servants paid virtually the entire cost of the coverage, while for US civil servants, coverage was subsidized by the employer. Swiss civil servants had approximately the same amount of leave as US federal civil servants, while weekly work hours (42 hours) were higher than in the US federal civil service (40 hours per week). The results of the total compensation comparison between the US and the Swiss civil services showed that the remuneration package of the Swiss civil service was 85.8 per cent of the US civil service *[A/50/30, paras. 130-133 and annex VI]*.

ICSC confirmed the results of the grade equivalency study and noted that the validation exercise carried out with Swiss classifiers had resulted in a highly satisfactory confirmation rate. ICSC reviewed the application of the total compensation methodology to the health and retirement benefits of the US and the Swiss federal civil service. It further noted that Swiss expatriate benefits were estimated as exceeding domestic civil service base salary levels by at least 30 per cent. This was seen by some members as further indication that a margin range of 10 to 20 was not realistic. ICSC concluded that, in view of the results of the total compensation comparison, which showed the US civil service to be ahead of the Swiss federal civil service by 16 to 17 per cent, the Swiss federal civil service could not be considered as an alternative to the current comparator civil service *[A/50/30, paras. 139142]*.

Grade equivalencies and remuneration comparisons with the German civil service. ICSC had reviewed at its 41st session the results of the grade equivalency study conducted in accordance with the established methodology and process. It had been informed at that time that it had not been possible to conduct a validation exercise with the German civil service. ICSC had decided to proceed with further remuneration comparisons on the basis of the proposed equivalencies, subject to

refinements that might be required as a consequence of the exercise to validate the grade equivalencies on the basis of the ICSC Master Standard *[A/50/30, paras. 143 and 144]*.

In accordance with this decision, ICSC had proceeded with the total compensation comparisons, using the established methodology. The report prepared by the consultant retained for the detailed pension and health insurance analysis showed that the German civil service provided superior pension and health insurance benefits to those of the US federal civil service, primarily because of the lack of an employee contribution for both pensions and health insurance by German civil servants (*Beamte*). German civil servants work hours were less than those of the US federal civil service, while vacation periods were longer. Adjustments for worktime had had the effect of increasing German salary levels. Adjustments for cost of living between Washington, D.C., and Bonn had deflated German salary levels by some 20 per cent. Prior to any adjustment German salary levels were higher than US salaries. The results of the total compensation comparison between the US and German civil services showed the remuneration package of the German civil service to be 110.5 per cent of the US civil service *[A/50/30, para. 145 and annex VII]*.

ICSC recalled that at its 41st session it had been informed that the German authorities had reservations about certain aspects of the grade equivalency study and that they maintained a different set of grade equivalencies for their own purposes. ICSC had concluded that since the equivalencies presented by the secretariat were based on an analysis of comparable duties and responsibilities under the ICSC Master Standard, there was no reason to modify the results of its studies. It had decided that remuneration comparisons should proceed on the basis of the proposed equivalencies, subject to refinements that might be required as a consequence of the validation exercise. Subsequent attempts by the ICSC secretariat to follow up on the validation exercise had proved fruitless. During the course of its 42nd session, the Commission was apprised, by means of two formal letters and other less formal contacts, that the German authorities contested the results of the grade equivalencies which they considered as being one grade too high. Their reasons were two-fold: the limited scope of the sample selected for the exercise and the questionable applicability of the Master Standard to German federal civil service posts *[A/50/30, paras. 155 and 156] (see section 2.1.30 for detailed treatment of the grade equivalency aspects of the study)*.

Some members were of the view that the equal weights approach that ICSC had decided to apply to pay systems in the US federal civil service *(see section 2.1.40)* should also be applied to the *Beamte* and *Angestellte* groups of staff in the German civil service, in order to reduce the dominance of the *Beamte* group. It was noted by others that dominance reduction in the case of the US federal civil service had been a policy decision designed to tackle an uncompetitive situation. It was difficult to see how that logic applied to the case of the German civil service, which had two competitive pay systems with total compensation that was within 3 or 4 per cent of each other. In any event, if such an approach were taken the total compensation margin between the US and German civil services would change by just 3.2 percentage points *[A/50/30, para. 163-164]*.

ICSC examined the issue of the impact of exchange rates on the cost-of-living differentials.

It was informed by the secretariat that the total compensation comparison had been derived using both price and salary components. These incorporated exchange rate adjustments that cancelled each other out; exchange rate fluctuations thus had no impact on the compensation comparison. In essence, the total compensation comparison was a real income comparison which was unaffected by exchange rate fluctuations. It was, however, observed that if a cost-of-living differential had not been applied to deflate the German and Swiss comparisons (by 20 and 33 per cent, respectively), these would have shown much higher ratios, although they would have been subject to the full impact of exchange rate fluctuations. ICSC reviewed in detail the application of the total compensation methodology to the

health and retirement benefits of the US and German federal civil service. With regard to these comparisons, ICSC members sought and received clarification on a number of methodological and other issues. ICSC accepted that the results of the comparison derived from a proper application of the established methodology, although the position of one member was reserved as regards health insurance schemes *[A/50/30, para. 164 and 166-167]*.

Further discussion revealed that a very substantial majority of ICSC members were satisfied that the study on the German civil service, which had been carried out in accordance with the methodology established by ICSC itself, was technically valid. Those members thus accepted the results of the study, i.e., that the German civil service was better paid than the current comparator. They further considered that that conclusion by a substantial majority would have important implications for the outcome of ICSC deliberations on the competitiveness of common system remuneration. Two members considered that there were some outstanding matters to be resolved, while acknowledging that the potential existed for Germany to be the comparator civil service. Two other members harboured reservations on specific technical aspects of both the grade equivalencies and the remuneration comparisons and did not consider that Germany was a viable comparator or that the data should be used to set common system pay levels. Some members stated that although there were various technical interpretations of the comparisons, these comparisons ranged from 107.3 for the most conservative interpretation to 130.0 for a more flexible application of the methodology. ICSC noted that it seemed difficult to bring the discussion on the German study to a conclusion. Matters appeared, at least temporarily, to be stymied in terms of validating the results of the grade equivalencies which served as the basis for the remuneration comparisons. That posed practical problems. A view was expressed that the situation was cause for concern as to whether the entire process of identifying another comparator was a viable undertaking. ICSC wished in that connection to reaffirm the need to respect the Noblemaire principle. It concluded that, notwithstanding a strong presumption in favour of the German civil service as a comparator, the conditions for changing the comparator were not, under the current circumstances, in place. Some members considered that this conclusion should not preclude further efforts to resolve outstanding differences with the German federal civil service authorities; another view was expressed that the German civil service could not be the comparator and the matter should be put to rest *[A/50/30, paras. 168-171]*.

ICSC decided to report to the GA that, with regard to the study of the highest paid national civil service, it had concluded the following: **(a) Swiss civil service:** (i) on the basis of grade equivalencies established by application of the Master Standard to Swiss civil service positions: a. the net remuneration of Swiss civil servants, before any adjustment for cost-of-living differential between Berne and Washington, D.C. and standardization for leave and work hour provisions was 53 per cent higher than that of the US federal civil service; b. the net remuneration of Swiss civil servants, after adjustment for cost-of-living differential between Berne and Washington, D.C. and standardized to a US work year, i.e., adjusted for differences between the Swiss and the US work schedules was 2 per cent higher than that of the US federal civil service; c. the retirement benefit of the Swiss federal civil service was 57 per cent in value of that of the US federal civil service; d. the Swiss federal civil service did not provide a subsidized health care benefit while the US federal civil service provided such a benefit to its employees; e. leave and work-hour provisions of both federal civil services were approximately equal; f. the total compensation comparison showed that the Swiss civil service was 85.8 per cent of that of the US federal civil service; (ii) given the overall superiority of remuneration levels of the US federal civil service demonstrated by the results of the total remuneration comparison between the Swiss and the US federal civil services, the Swiss federal civil service could not be considered as an alternative to the current comparator civil service; **(b) German civil service:** (i) on the basis of grade equivalencies established by application of the Master Standard to German civil service positions: a. the net remuneration of German civil servants, before any adjustment for cost-of-living differential between Bonn and Washington, D.C. and standardization for leave and work-hour

provisions was 5 per cent higher than that of the US federal civil service; b. the net remuneration of German civil servants, following adjustment for cost-of-living differential between Bonn and Washington, D.C. but without standardization for leave, work-hour provisions and required health care and pension contributions, was 14 per cent lower than that of the US federal civil service; c. the net remuneration of

German civil servants after standardization for cost-of-living differences between Bonn and Washington D.C., leave and work-hour provisions as well as the required pension contribution was 8 per cent higher than that of the US federal civil service; d. retirement and health insurance benefits of the German civil service were superior by 24 to 28 per cent to those of the US federal civil service primarily because of the absence of any employee contributions for 84 per cent of the civil servants in Bonn; e. leave and work hour provisions of the German civil service were superior to those of the US federal civil service; f. the total compensation comparison showed that the German civil service was 110.5 per cent of that of the US federal civil service; g. ICSC would continue to monitor the total compensation of the German civil service and would update the current data annually; (ii) notwithstanding a strong presumption in favour of the German civil service as a comparator, the conditions for changing the comparator were not, under current circumstances, in place; (iii) in view of the GA request to examine all aspects of the application of the Noblemaire principle, with a view to ensuring the continued competitiveness of UN common system remuneration, the superior conditions of the German civil service *vis-à-vis* those of the US federal civil service could be considered as a reference point for margin management *[A/50/30, para. 172]*.

Reference data on the World Bank. ICSC had before it information supplementing and completing the reference data provided at the 41st session on the World Bank *(ICSC/42/R.9)*. Updated grade equivalency and remuneration comparisons showed that World Bank net salaries were 39 per cent above those of the UN common system. A validation exercise conducted with World Bank classification specialists had resulted in an agreement rate of 100 per cent.

ICSC endorsed the grade equivalency exercise, which had resulted in a validation rate of 100 per cent. It noted that the remuneration comparisons based on those equivalencies resulted in salary levels that were 39 per cent higher for the World Bank than the common system. Furthermore, the World Bank Group retirement and health insurance schemes also appeared more generous than those of the UN system, although, as in the case of OECD, they had not been subjected to actuarial scrutiny. ICSC recalled the discussion it had had at its 41st session as to whether the World Bank was an appropriate reference point for the common system. It noted that jobs in the finance and investment sectors/disciplines together accounted for around 13 per cent of World Bank Professional staff; economists, technical specialists and administrative specialists accounted for 18, 24 and 13 per cent, respectively. ICSC also took note of the additional information provided by the UN and CCISUA. A significant degree of functional similarity did indeed exist between the Bank and the common system: overstressing the similarity was not, however, seen as helpful. At the end of the day, it had to be recognized that the World Bank Group performed a banking function *[A/50/30, paras. 189-190]*.

ICSC decided to note with appreciation the established grade equivalencies for the World Bank and to report to the GA that: (a) on the basis of the established grade equivalencies for the World Bank, remuneration comparisons made at Washington, D.C. showed that the World Bank cash remuneration was above that of the UN common system levels in the order of 40 per cent; (b) although a full actuarial evaluation had not been conducted, it would appear on the basis of a comparison of World Bank benefit provisions *vis-à-vis* those of the common system that: (i) the World Bank retirement scheme was more generous, *inter alia*, because of a higher accrual rate; (ii) the World Bank health insurance scheme was better than the UN (New York) health schemes, *inter alia*, because of the cost-sharing ratios (75/25 and 67/33 respectively); (c) on the basis of the above, it appeared that the

compensation package of the common system was not competitive with that offered by the World Bank for equivalent jobs requiring similar levels of competence.

Taking all the above considerations into account, ICSC considered that it would be appropriate to use OECD and the World Bank as reference indicators for the competitiveness of UN system salaries. It also agreed to reaffirm the long-standing practice of comparisons with the best paid national civil service under the application of the Noblemaire principle *[A/50/30, paras. 196-197]*.

The GA, in **resolution 50/208**: (a) took note of the results of the study to identify the highest-paid national civil service, bearing in mind the views expressed thereon by the Member State concerned; (b) requested ICSC and the national civil service authorities concerned to resolve the outstanding difficulties in comparing differently designed civil services and grading systems, within the approved methodology, and to clarify the conclusions set out in its report, in order to complete the study on the highest paid national civil service, and to report thereon to the GA.

1996 **43rd session (April/May)**: ICSC reviewed in detail information *(ICSC/43/R.8)* on the specific areas of difference with the German authorities in the application of the approved methodology for the identification of the highest-paid national civil service. Members noted that the considerations set out in the 21st annual report had been arrived at after lengthy and sometimes difficult discussions: new, irrefutable evidence would be required to change views either way, and this was not forthcoming. Members therefore considered that efforts should be directed towards clarifying ICSC's earlier position, which was, indeed what the GA had requested *[A/50/30/Add 1, paras. 33-40 and 43-46]*.

ICSC decided to report to the GA that: (a) based on a technical evaluation conducted within the approved methodology, the total compensation levels of the German federal civil service had been found superior to those of the current comparator (as reported to the GA in para. 172 (b) (i) of its 21st annual report). That continued to be the case; (b) after further discussion with the German officials, it had emerged that it would not be possible to narrow existing differences on the scope of the study or the applicability of the Master Standard to the German civil service without substantially modifying the current methodology. In this context, ICSC did not consider that a modification in the approved methodology was justified; (c) notwithstanding, its conviction regarding the superior position of the German civil service in total compensation terms and the applicability of the approved methodology, ICSC did not consider that it was opportune to recommend a change of comparator for the following reasons: (i) the actual process of changing comparators was a complex one, with implications for pensions, the currency of record, the location of the base of the UN remuneration system and related issues; (ii) the superiority of the total compensation levels of the German civil service might not be maintained over time, It was for this reason, *inter alia*, that ICSC had recommended and was again recommending that the situation should be monitored *[A/50/30/Add.1, para. 47]*.

At its resumed 50th session, the GA decided, by **decision no. 50/514**, to take note of the ICSC report, including its addendum and defer its consideration to the 51st session.

In **resolution 51/216,** the GA took note of the further steps taken by ICSC to complete its study to identify the highest paid national civil service and decided to consider the Commission's report *(A/50/30, addendum, paras. 33-47)* at its 52nd session.

2011 **72nd session (March/April)**

The Commission reviewed document ICSC/72/R.5 containing results of the initial phase of the Noblemaire study. Ten national civil services had been selected for the analysis: Australia, Belgium, Canada, France, Germany, the Netherlands, Norway, the Republic of Korea, Spain and the United Kingdom of Great Britain and Northern Ireland. The cross-country comparison of net compensation

across these services and the current comparator, the United States federal civil service, resulted in a ranking that showed the current comparator on top followed by Belgium and United Kingdom as the second and the third, respectively.

An abbreviated scope of the analysis based on the use of only cash elements of compensation, limited number of grades and jobs covered by the comparison, simple averages and proxy indicators used to adjust the remuneration levels by differences in cost of living could all have had an impact on the result of the comparisons. In this connection, some reservations were expressed as to the accuracy of some of the job matches established for the salary comparisons.

While the results of the comparison were likely to be amended by a total compensation study, the initial abbreviated study was considered a useful tool in screening the potential comparators and establishing their relative standing. Only when the net cash remuneration levels were deemed to be reasonably close to those of the present comparator, should the follow-up full-scope study proceed. In this regard, the Commission noted the large gaps found between the levels of net cash compensation between the existing comparator and the other national civil services. Based on the information provided, most members were of the view that those gaps were not going to be bridged by the other total compensation elements included in the total remuneration.

The Commission further acknowledged the economic background of the current study. It was noted that national civil services were reacting in different ways to the ongoing financial crisis. For example, while some resorted to pay freezes, others chose to maintain salary levels but reduced the number of their staff. Specific individual measures undertaken by respective governments to cope with their budgetary concerns would inevitably have had an uneven impact on remuneration levels. The Commission therefore concluded that it would not have been opportune to proceed to phase II at that time.

The Commission decided: (a) that the current Noblemaire study should not proceed to phase II, noting that the comparison result showed that the current comparator paid the highest level of cash compensation and that the percentage differences with other civil services seemed too large to be offset by other compensation elements, and thus the current comparator would be retained; and (b) that it would carry out another study to determine the highest-paid national civil service no later than the next Noblemaire study, scheduled for 2016.

2018 ***86th session (March):*** The Commission reviewed document ICSC/86/R.6 which contained results of phase I of the Noblemaire study. Using the established methodology, six national civil services had been selected, namely Belgium, Norway, Canada, France, Germany and the Netherlands. Civil service compensation for reference grades in these governments was compared with those in the United States federal civil service. Based on the analysis, the existing comparator was ranked at the top followed by Belgium and Norway as the second and the third, respectively.

The Commission noted that phase I focused on selecting only those national civil services which met all the criteria of the methodology. Thus, some of the reputedly competitive national civil services, such as Switzerland and Singapore, were excluded because they did not meet all the criteria, i.e. were relatively small, were undergoing structural reforms and did not lend themselves to comparison. A suggestion was made to consider introducing a five per cent pay difference threshold, i.e. that phase II analysis needed to be conducted only for a country with five or smaller percentage difference with the highest-paying national civil service *(A/73/30, para 113).*

The Commission noted that the analysis for phase I had been conducted in accordance with the established methodology and was consistent with the approach of the previous exercises. It recognized

that, if phase II were to be conducted, the resulting net cash compensation gap with the present comparator was highly unlikely to be reversed. Accordingly, this obviated the need to proceed to a much more labour-, time- and resource-intensive phase II.

Regarding the reference check with other international organizations, some Commission members questioned the need for such checks as such organizations were technically not part of Noblemaire studies. Others pointed out that these checks were authorized by the General Assembly. It was stressed that differences in nature, mandates and membership composition of these organizations should be born in mind when conducting such comparisons. The Commission took note of the ongoing benchmarking study across several international/regional organizations and the projected release of the study results in 2019 (*ibid, para 117*).

The Commission decided:

a) That the current Noblemaire study should not proceed to phase II, noting that the phase I comparison results demonstrated that the current comparator paid the highest level of cash compensation and that the percentage difference with other national civil services appeared to be too large to be offset when other compensation elements were considered, and thus the current comparator would be retained;

b) To revert to the issue of a reference check with other international organizations following the receipt of the findings of the 2019 benchmarking studiyamong several international and regional organizations, including the World Bank Group, Coordinated Organizations and the European Union.

In its resolution 73/273, the General Assembly took note of the report (A/73/30) containing the Commission's decisions.

2020 **90th session (October):** The Commission commenced the Noblemaire study in 2018, by reviewing the compensation within several highly paid national civil services. It concluded in the same year that the existing comparator, the United States federal civil service, should be retained (ICSC/86/R.6). In accordance with its established practice, the Commission was also to conduct reference checks with other intergovernmental organizations. The Commission decided to postpone the consideration of the item in order to benefit from the 2019 Eurostat compensation benchmarking study of the intergovernmental organizations.

The benchmarking study was released in mid-December 2019. The study's scope and coverage in terms of jobs and compensation elements were too limited to be used for a reference check. Accordingly, the Commission had before it reference data collected by the ICSC secretariat from the Organization for Economic Cooperation and Development (OECD) and the World Bank using the 1996 and 2006 reference check modalities (ICSC/90/R.7). The remuneration comparison revealed that OECD and World Bank were ahead of the common system by 28.2 per cent and 36.6 per cent accordingly.

During the discussion, the Commission agreed that data analysis had been performed in accordance with the established modalities. It was also agreed that, while both organizations were somehow distinct from the United Nations common system, they provided useful context in terms of the labour market in which the common system had to compete for staff. Participants noted that the presented reference data, useful as they might be, should be viewed as indicative, absent a full total compensation comparison.

Regarding possible staff recruitment and retention issues owing to compensation differences, it was

reported that staff moved both to and from the two organizations and the common system, and issues occurred with respect to a small group of occupations. Participants acknowledged that while cash remuneration was only a part of the total compensation package, it was nevertheless the most visible and significant. It was therefore important to monitor the overall attractiveness of the compensation system offered by the common system

The Commission decided to report to the General Assembly that:

(a) According to the reference data from the World Bank and OECD, the remuneration levels of those organizations were, respectively, 36.6 and 28.2 per cent ahead of that of the United Nations common system;
(b) The reference data should be viewed as supplementary to the Noblemaire study, which is aimed at the identification of the highest-paid national civil service.

In its resolution 75/245, the General Assembly took note of the report.

SECTION 2.1.30
GRADE EQUIVALENCIES

1975 **2nd session (August)**: Having selected the national civil service to be used as the comparator in establishing the level of UN remuneration, it became necessary to define the grades in the two services which would be taken as equivalent, i.e., the points at which the ladders of remuneration of the two services would be juxtaposed *[A/31/30, para. 132]*. ICSC approved a methodology for such a study. Occupational groups typical of the international civil service on the basis of which comparison should be made were selected (agricultural management specialists, economists, engineers (agricultural, aviation, telecommunications, sanitary), medical specialists, accountants, nuclear scientists, statisticians and translators). The organizations in the common system were asked to provide data on descriptions of typical jobs found at each grade level and samples of specific job descriptions; statements of the educational and experience requirements for each grade; frequency distributions by age and by length of service; details of age, technical qualifications and grade of all staff appointed to the occupational group in 1974. Those data were to be compared, under the supervision of ICSC, with similar data to be obtained from the US Civil Service Commission, with a view to identifying a series of matching points, different for the several occupational groups but in aggregate permitting the drawing of a general profile of relationship between the two services *[A/31/30, para. 135]*.

ICSC recognized that the study submitted to it was a first step in the direction of the "proper job evaluation" called for by the 1971-1972 Special Committee, taking into account also career characteristics. The study had limitations owing to the way in which it had been carried out, the time available and, the difficulties of making precise comparisons between two systems differing markedly in the nature of their functions, their structures and their grading patterns. The task was further complicated by the inadequacy of job evaluation systems in some of the organizations and the lack of uniformity between them. Nevertheless, ICSC agreed to use for the review of the UN salary system the equivalencies found as a result of the study, i.e.: UN grade P-3 = US grade GS-12/GS-13; UN grade P-4 = US grade GS-14; UN grade P-5 = US grade GS-15, it being understood: (a) that a comprehensive job evaluation would be carried out, as soon as possible, between the UN common system and the US federal civil service, with the participation of external experts, in order to obtain as complete as possible a comparison between the two systems; (b) that the matching points established could not be considered permanent or immutable and would have to be verified periodically *[A/31/30, para. 146]*.

1976 In **resolution 31/141 B** the GA noted the intention of ICSC to pursue studies with a view to arriving at a methodology permitting comparison of "total compensation" between the comparator civil service and the UN salary system and requested ICSC to carry out this comparison at all levels and to report its findings to the GA no later than its 33rd session.

1977 **6th session (August/September):** ICSC took a number of decisions about the way in which the comprehensive job evaluation to be made for the comparison should be carried out. In particular, it decided: (a) that a point-factor system of job classification should be used; (b) that the widest possible range of occupational groups should be covered by the study; (c) that every attempt would be made to compare jobs at all levels from P-1 to D-2, ICSC reserving until it had seen the results the decision as to the grades at which valid equivalents could be established; (d) that while the representatives of the organizations and of the staff would be consulted on the design of the study, the collection and comparison of data would be carried out by a group of two or three independent consultants working under the supervision of the Chairman and with the assistance of ICSC's secretariat *[A/33/30, paras. 60 and 61]*.

1978 **8th session (July)**: ICSC considered the report of the consultants. ICSC concluded that the study had been carried out in an objective and thorough manner. It had been based on a job evaluation approach supported by a sound and acceptable methodology. The methodology used in the study represented

great progress over previous efforts. ICSC, therefore, gave approval to the consultants' recommendations as regards the equivalents for grades P-1 to D-1. With respect to the appropriate equivalent for the D-2 grade, ICSC expressed reservations. In its opinion, the technical reasons leading the consultants to doubt the raw results and recommend a modified equivalent for the D-2 grade were sufficient grounds for concluding that no equivalent for this level could be established with certainty at this time. With some refinements, the same methodology could be used to establish an appropriate equivalency for the D-2 grade. ICSC concluded, therefore, that a further study aimed at establishing the equivalency for grade D-2 should be undertaken in the future *[A/33/30, paras. 88 and 89]*.

ICSC accordingly recommended that the GA approve the use of the following grade equivalencies for the purpose of salary comparison between the common system and the US federal civil service: P-1 = GS-9 with a weight of 100; P-2 = (GS-11 with a weight of 62) and (GS-12 with a weight of 38); P-3 = (GS-12 with a weight of 45) and (GS-12 with a weight of 55); P-4 = (GS-13 with a weight of 33) and (GS-14 with a weight of 67); P-5 = GS-15 with a weight of 100; and D-1 = GS-16 with a weight of 100 *[A/33/30, para. 92]*.

The GA in **resolution 33/119**: (a) approved the use, for the purpose of making salary comparisons, of the table of grading equivalencies recommended by ICSC to continue its study of grade equivalencies between the common system and the comparator national civil service, in order to determine the proper equivalent grades in the comparator system for the UN grades of Director (D-2) and Assistant Secretary-General (ASG) and to report its findings to the GA; (b) requested ICSC to study the feasibility of identifying posts of equivalent functions and responsibilities for the post of Under-Secretary-General (USG) and to report to the GA at its 34th session.

1979 **9th session (February/March)**: As regards ASG, USG and equivalent levels, ICSC reported to the GA the reasons which had led it to decide that these levels not be included in the study *[A/34/30, paras. 106 and 107]*. It noted that recent changes in the remuneration system of the comparator civil service would further complicate the task and that other practical difficulties could be expected to arise. ICSC then noted with satisfaction a statement to the effect that maximum assistance would be given by the US authorities in carrying out the survey. Since the GA had requested ICSC to make a study of the D-2 and ASG grades and considering that the difficulties involved in a study of the USG grade were not markedly different from those of the ASG, it was decided that the study should be attempted at all three levels *[A/34/30, para. 111]*.

ICSC recognized that although the grading of jobs at the higher levels within both services was based less upon job content than at the lower levels, job content nevertheless remained the most measurable of the elements affecting grading. Given the difference in the nature of jobs between the US federal civil service and the common system, the point-factor evaluation method remained the most effective approach. ICSC decided therefore that this evaluation method would be applied to all three grades: it would be adjusted, however, to take into account the effects of the establishment of the Senior Executive Service (SES) on the remuneration of some of the US federal civil service jobs to be compared *[A/34/30, para. 113]*.

ICSC noted that the consultants' report *(A/34/30, annex VI)* on the three highest levels had been prepared according to the methodology which it had previously approved. It also recalled the difficulties involved in carrying out grade equivalency studies at these higher levels which it had pointed out in its previous annual report *[A/33/30, paras. 60-92]*. ICSC concurred with the consultants' views that the equivalencies for the ASG and USG grades could be taken only as approximations. As to whether the results of the study should be included in the periodic margin calculation, ICSC observed that because of the small number of staff members in these grades they would carry only a smaller weighting in the overall comparison, so that the effect of their inclusion or exclusion would in

any event be negligible. Noting, however, that the D-2 grade had been included in the previous equivalency study but had not been recommended for use in calculating the margin because of doubts about the precision of the equivalency and that a more precise equivalency had resulted from the present study, ICSC considered that the equivalency at the D-2 grade should be included together with those at grades P-1 to D-1 in future calculations of the margin. ICSC accordingly recommended that the GA: (a) approve the grading equivalency D-2 = (GS-17 with a weight of 67) and (GS-18/E-V with a weight of 33) to be used together with the previously established equivalencies at grades P-1 to D-1 in comparing US and UN remuneration; (b) note, subject to the reservations stated above, the approximate equivalencies obtained for the ASG and USG levels *[A/34/30, paras. 118 and 119]*.

In **resolution 34/165**, the GA approved the grading equivalencies recommended by ICSC to be used in comparing US federal civil service and UN remuneration.

1983 **18th session (July/August)**: ICSC received a progress report on the study of the equivalency between the higher grade levels in the UN system and those in the SES of the US federal civil service. It considered that the sample of SES positions identified in consultations between the US Government officials and the ICSC secretariat would represent the total SES population with a statistical degree of confidence of 85 per cent and that the methods used to identify that sample were objective and systematic. It therefore endorsed the sample *[A/38/30, para. 22]*.

ICSC concluded that, in as much as the establishment of grade equivalencies with jobs in the US federal civil service for UN jobs at the ASG and USG levels was not possible, salaries for those levels should be determined by extrapolation of salaries at grades P-1 to D-2 *[A/39/30, para. 106]*.

1986 **24th session (July)**: With a view to establishing grade equivalencies between UN officials and US federal civil service employees in New York, ICSC considered a report submitted by the secretariat, noting that as at 31 March 1985 there were some 32,330 US federal civil service employees in New York. That figure, however, included positions that were not relevant for the purpose of establishing UN/US grade equivalencies. With the exclusion of irrelevant US federal civil service jobs, it was noted that the jobs relevant for comparison purposes would total 5,695, excluding SES positions. SES positions, currently compared with P-5, D-1 and D-2 levels in the common system were filled by 3,673 incumbents in Washington, D.C. and 63 in New York *[A/41/30, para. 58]*.

As regards US federal civil service jobs in New York and Washington, D.C. by relevant grades, ICSC noted that, proportionately, the US employed more staff at the lower grade levels in New York and more staff at the higher grade levels in Washington, D.C., the only exception being level GS-15, which had proportionately more staff in New York.

It concluded that establishing grade equivalencies between the common system and US federal civil service employees in New York would create technical and administrative difficulties. It, therefore decided that grade equivalencies should be established between common system and US federal civil service jobs in Washington, D.C. *[A/41/30, para. 60]*.

ICSC agreed, for the time being: (a) to use 436 positions for analysis purposes and exclude positions outside Washington, D.C. and positions that were not specifically sampled; (b) to exclude anomalous gradings by eliminating positions in US grades representing less than 5 per cent of the positions and single gradings equivalent to a particular common system grade; (c) to exclude the jobs of representation, coordination and liaison specialists and interpreters and translators, but to request its secretariat to study further the equivalencies of translator jobs and to report thereon to ICSC at its 25th session; (d) to include positions in the SES, but to request the secretariat of ICSC to study further refinements for pay comparison with the D-1 and D-2 levels and to report thereon to ICSC at its 25th session; (e) to exclude ASG/USG-level positions for the time being, but to request its secretariat to

study other methods of comparing positions at those levels, and to report thereon to ICSC at its 25th session; (f) to include GS-7 positions; (g) to exclude all Foreign Service positions; (h) to include specialty jobs; (i) to note the results of the validity check by the US Office of Personnel Management and to request the secretariat of ICSC to continue consultations with OPM in order to reach a higher rate of agreement, and to report thereon to ICSC at its 25th session; (j) to use positions in Washington, D.C., but to collect data on additional positions outside that city if jobs were not sufficiently represented; (k) to apply the square root weighting technique in order to reduce dominance of highly populated jobs, and to request its secretariat to study the issue further and to report thereon to ICSC at its 25th session; (l) to use average salaries and to request its secretariat to study the effect of different lengths of career in the two services on those averages and to report thereon to ICSC at its 25th session; (m) to exclude bonuses and performance awards that were not part of base pay as defined by the US federal civil service, and to include additional pay for physicians; (n) to exclude merit pay performance awards that were not included in base salaries as defined by the US federal civil service *[A/41/30, para. 104]*.

1987 **25th session (March)**: ICSC considered a number of issues related to the current grade equivalency study for which it had requested further information. It decided: (a) to use average SES salaries in remuneration comparisons; (b) to keep under study the equivalency of ASG/USG levels; (c) to exclude translator positions from remuneration comparisons; (d) to note the more satisfactory rate of agreement of the validity check; (e) to conclude the review of the effect of career lengths on average salaries, noting the lack of data on which to base an appropriate evaluation; (f) to use the square root weighting technique in the calculation of US federal civil service salaries representing the common system grade averages *[A/42/30, para. 132]*.

The GA, in **resolution 42/221**, decided to maintain the methodology described in annex I to the report of ICSC submitted to the GA at its 40th (1985) session *(A/40/30)* for the calculation of the net remuneration margin. The GA's decision implied that the grade equivalencies from P-1 to D-2 approved by the GA in resolution 34/165 (1979) continued to be applied for the time being.

1991 **33rd session (March):** ICSC took note of a progress report *(ICSC/33/R.6)* on the grade equivalency study between the UN system and the US federal civil service, which was being undertaken as an update of the grade equivalencies established in 1986. It noted that positions that might correspond to the ASG and USG levels had not been included in the current grade equivalency exercise. While realizing that this might not be an appropriate exercise for the inclusion of these provisions, it recalled the terms of GA resolution 45/241 on the subject of the remuneration of staff at the ASG/USG levels. Bearing that in mind, it was of the view that a study involving these positions using an appropriately modified methodology should be undertaken as part of the comprehensive review of conditions of employment of the ASG/USG or equivalent level positions *(see also section 2.1.120) [ICSC/33/R.16, paras. 49-50 and 53-54]*.

34th session (August): ICSC reviewed the results of the 1990/1991 grade equivalency study *(ICSC/34/R.5 and ICSC/34/CRP.4 and CRP.6)* which had been conducted using a methodology identical to that utilized in 1985/1986. Job data had been requested on 531 positions from 45 US Government agencies based on the relative proportions of UN staff assigned to the 27 most populous occupational groups. Of the 476 positions that had been received from 43 agencies, the secretariat had included 409 positions for analysis purposes and had excluded 67 jobs. ICSC noted that the results of the validity check carried out by US/OPM produced a confirmation rate of 92 per cent, compared with a rate of 78.8 per cent in the 1985/1986 exercise.

Recalling its earlier decision to include in the grade equivalency study 5 special pay systems in addition to the US General Schedule, ICSC noted that there had been a further, continuing, departure from the General Schedule. It considered two options suggested by its secretariat for including special

pay systems in net remuneration margin comparisons. It was of the view that the comparator's introduction of new or revised pay systems warranted further review, which could only be carried out on the basis of additional information and statistics to be collected by its secretariat *[A/46/30, vol. I, paras. 145149]*.

ICSC decided: (a) to approve the results of the 1990/1991 grade equivalency study; (b) to use the results for net remuneration comparisons between the US federal civil service and the UN common system; (c) to note that the net remuneration margin would consequently decrease in the order of 1.8 percentage points; (d) to note the introduction of a number of new or revised US pay systems; (e) to request its secretariat to review further data on these systems with a view to reflecting them in grade equivalencies, as appropriate, and to report thereon to its 35th session *[A/46/30, vol. I, para. 150]*.

In **resolution 46/191**, the GA requested ICSC to analyse the potential consequences of FEPCA on the pay levels of the current comparator, providing in the analysis full details of all the special pay systems introduced by the comparator civil service, and to report thereon to the GA at its 49th (1994) session.

1992 **35th session (March)**: ICSC reviewed a note by its secretariat *(ICSC/35/R.4)* containing information on new or revised pay systems that had been established since the 1985-1986 grade equivalency study by the following 11 US government agencies: (a) Federal Deposit Insurance Corporation (FDIC); (b) Federal Reserve Board (FRB); (c) National Institute of Standards and Technology (NIST); (d) Government Printing Office (GPO); (e) Farm Credit Administration (FCA); (f) Office of Thrift Supervision (OTS); (g) Office of the Comptroller of the Currency (OCC); (h) National Credit Union Administration (NCUA); (i) Resolution Trust Corporation (RTC); (j) General Accounting Office (GAO); (k) Federal Housing Finance Board (FHFB). The secretariat had conducted a supplemental grade equivalency study with these agencies, as well as a validity check of the classification results of the study *[ICSC/35/R.17, paras. 28 and 29]*.

ICSC was informed by its secretariat that, as a result of the 1985-1986 grade equivalency study, relevant salary data on 8 of the proposed pay systems (FDIC, NIST, FCA, OCC, NCUA, RTC, GAO and FHFB) had been included in the net remuneration margin calculations until 1990. By the time of the 1990-1991 grade equivalency study, most of these pay systems had separated from the regular General Schedule pay system. Only FRB and GPO had not previously been included in net remuneration margin calculations since the emphasis in the 1985-1986 grade equivalency study was to include the major US pay systems not previously included. Seven of the agencies had changed their pay systems under the 1989 Financial Institution Reform, Recovery and Enforcement Act *[ICSC/35/R.17, para. 31]*.

ICSC took note of the information contained in the document and decided that it would revert to the issue at its 36th session on the basis of additional information to be provided by its secretariat *[ICSC/35/R.17, para. 37]*.

36th session (August): Recalling that 9 of the 11 agencies concerned had been included in remuneration comparisons as a result of the 1985/1986 grade equivalency study, ICSC noted that the question of whether they should continue to be included had arisen as a result of significant changes in job classification systems and salary-setting processes introduced in the meantime in these systems *[A/47/30, para. 147]*.

Following discussion, ICSC decided that it was not imperative to include the proposed pay systems in the net remuneration comparison process at the present time *[A/47/30, para. 153] (see also section 2.1.40)*.

1993 **38th session (July):** ICSC reviewed a schedule for the completion of a series of studies relating to the application of the Noblemaire principle which included grade equivalencies *(see also section 2.1.10)*.

1994 **39th session and 40th session ((February/March and June/July):** ICSC reviewed FEPCA-related developments and decided to report *inter alia* to the GA that: (a) a number of FEPCA provisions were relevant for net remuneration margin comparisons and, where appropriate, had been incorporated into margin comparisons; (b) FEPCA had established a number of new pay systems that ICSC intended to review at the time of the next US/UN grade equivalency study in 1995; (c) a number of FEPCA provisions were being gradually implemented within the US federal civil service and ICSC intended to monitor the application of those provisions for possible relevance to the UN common system *[A/49/30, para. 79] (for further details, see section 2.1.40)*.

1995 **41st session (May):** ICSC had before it documentation prepared by the secretariat *(ICSC/41/R.5 Add.2 and appendix)* providing details of the 1995 grade equivalency exercise with the US federal civil service, together with an analysis of a number of specific issues that had arisen in prior ICSC considerations of grade equivalencies and remuneration comparisons. A document by CCISUA *(ICSC/41/R.5/Add.5)* also examined several of those issues *(NOTE: Material relating to remuneration comparisons is reported in detail in sections 2.1.20 and 2.1.40).*

ICSC was informed that the study included grade equivalencies for 529 posts in: (a) the 6 US pay systems currently included in net remuneration margin calculations; (b) all relevant occupations in the pay systems of 11 US government agencies which had established pay levels departing from the regular US pay system, i.e., the General Schedule; and (c) two additional pay systems (senior level [SL] and scientific and technical [ST]) which had been established under the Federal Employees' Pay Comparability Act (1990) (FEPCA) since the previous such exercise and which met the ICSC criteria for inclusion in margin calculations as reported to the GA in 1994. A validation exercise was being organized with classification specialists of the US federal civil service, and the result would be reported to the ICSC at its 42nd session *[ICSC/41/R.19, paras. 132-133]*.

Additional comparator pay systems to be reflected in grade equivalencies and resulting margin comparisons: ICSC recalled that at its 39th session, it had decided to reflect fully in margin comparisons all relevant pay systems of 11 US agencies. Two of those agencies, the Office of the Comptroller of the Currency (OCC) and the Office of Thrift Supervision (OTS), had not yet been able to provide the requested data. For the time being, the 1992 grade equivalency results had been used in respect of those 2 agencies. ICSC noted the secretariat's intention to provide it with updated grade equivalencies at the 42nd session if the data from those 2 agencies were forthcoming. ICSC had also decided at that session to review 10 other pay systems that it saw as of possible relevance. On the basis of an analysis of the data collected on those pay systems, the secretariat was recommending inclusion of two pay systems: senior-level (SL) and scientific and technical (ST) positions. ICSC endorsed the secretariat's recommendation for the inclusion of the two pay systems and noted the grade equivalencies arrived at in their respect *[ICSC/41/R.19, paras. 141, 142 and 143]*.

Evaluation procedures for SES levels: ICSC observed that the current grade equivalency results corroborated earlier findings that there was a progression in salaries at SES pay levels *vis-à-vis* comparable UN grades. Furthermore, the inclusion of a single amount derived from a weighted average of all SES levels distorted remuneration ratios, particularly at the D-1 level, where the ratio was less than at the D-2 level. That was an aberration with regard to normal remuneration ratio progression. ICSC concluded that although the SES salary progression was slight, it would be technically more precise to reflect it in margin comparisons through the use of the actual salary of each SES pay level rather than through the current averaging process *[ICSC/41/R.19, para. 144]*.

Inclusion/exclusion of the GS-7 level: It was recalled that, prior to the 1985-1986 grade equivalency study, equivalencies at the P-1 level had been related exclusively to the US GS-9 level. At the time of that study, a few GS-7 level positions had been found equivalent to the P-1 level; ICSC had therefore decided, following discussion, to include the GS-7 level in the comparison process "for the time being". Accordingly, the GS-7 level had been included in remuneration comparisons since 1990, when the results of the 1985-1986 study were implemented. For the current grade equivalency exercise, 11 GS-7 positions had been determined to be equivalent to the P-1 level and 3 to be equivalent to the GS level. ICSC noted the secretariat's findings that all 11 of the jobs found to be equivalent to the P-1 level were trainee/developmental posts for which no counterpart existed in the common system. It further noted that the comparator's pay-setting process at the GS-7 level continued to be heavily influenced by categories representing clerical and technical positions which in the common system were found in the GS category. ICSC observed that the duties and responsibilities of the GS-7 jobs analysed by the secretariat did not conform to the ICSC definition of P-level work *(see section 8.1.10)*.

ICSC therefore decided that there was no technical basis for the continued inclusion of the GS-7 level in grade equivalencies and resulting margin comparisons. It should therefore be excluded from the grade equivalencies *[ICSC/41/R.19, paras. 145-147] (see also section 2.1.40)*.

Assistant-Secretary-General/Under-Secretary-General levels: ICSC reviewed information on the prior consideration of the matter which highlighted the difficulty of establishing direct equivalencies between the common system and the comparator civil service at the ASG/USG levels. ICSC noted that in the secretariat's view, it would be no less difficult to establish such specific grade equivalencies at the present time. The inclusion or exclusion of approximate working equivalents at those levels would have no impact on the level of the margin and would become significant only if salaries at the senior levels were to be examined separately from those at other levels *[ICSC/41/R.19, para. 160]*.

ICSC decided: (a) to include SES salaries in remuneration comparisons on the basis of pay levels determined by the established grade equivalencies; (b) to exclude comparator GS-7 positions from future remuneration comparisons; (c) to include the SL and ST pay systems of the comparator in remuneration comparisons; (d) to include bonuses and performance awards granted to US and UN common system staff, except for those granted to eligible SES staff as meritorious and distinguished awards and comparable awards on the UN side; (e) to endorse, for remuneration comparison purposes, the grade equivalencies with the comparator *[ICSC/41/R.19, annex VI]* subject to any adjustment arising from the validation exercise and from updated information from US Government agencies that had not yet been able to provide complete information; (f) to note the exclusion of the ASG/USG levels from the current grade equivalency study; (g) to request the secretariat to provide the following to ICSC at its 42nd session: (i) updated grade equivalencies with regard to 2 of the 11 US Government agencies that had not yet been able to provide complete information; (ii) details and results of the validation exercise *[ICSC/41/R.19, para. 162]*.

ICSC had before it the results of the **grade equivalency study with the German federal civil service** *(ICSC/41/R.5/Add.1 and ICSC/41/CRP.6)*. This had been conducted in accordance with the established methodology and process, building also on the experience of the earlier (1981) equivalency study with the German civil service. In the 1994-95 study, the number of occupational groups had been augmented, to increase the representation of common system jobs. A sample of representative jobs in occupations common to both services had been identified, and a team of job classification experts had conducted individual job interviews with post incumbents. The jobs had then been graded according to the ICSC Master Standard. Equivalencies had been arrived at by matching the grades thus obtained against the actual German civil service grades. The results of the current grade equivalency substantially confirmed the 1981 exercise. The final stage of the grade equivalency exercise - a formal job validation - had not yet been completed, but it was envisaged that this would be finalized before

the 42nd session. The sample of 103 jobs used in the survey had included occupational groups covering 75 per cent of common system jobs. Most of the jobs were performed by staff in the *Beamte* group, although some jobs in the *Angestellte* group had been included and accounted for 15 per cent of the sample. The distinguishing features of the two groups were described in the documentation *[ICSC/41/R.19, paras. 120-123]*.

ICSC noted that it had not proved possible to organize a full validation exercise, although an initial meeting had been held with a representative of the German Foreign Office. As in the 1981 grade equivalency exercise, the German Government maintained its own set of grade equivalencies with the UN common system. ICSC noted the secretariat's assessment that the considerations advanced to date in support of the grade equivalencies of the German Government appeared unrelated to duties and responsibilities as measured by the Master Standard. It agreed with the secretariat's suggestion that the offer of the German Government to discuss the matter further be accepted. In the meantime, and on the basis of the explanations provided, ICSC was satisfied that the grade equivalencies established by the secretariat had been arrived at in a technically rigorous manner using the methodology approved by ICSC. It therefore agreed that remuneration comparisons should proceed on the basis of those equivalencies, subject to any refinements that might be required as a result of a validation exercise carried out through the application of the Master Standard. ICSC noted in that connection that the German Government maintained a series of equivalencies for its own purposes. ICSC was aware of these but noted that the basis for those equivalencies was not specified. As the equivalencies determined by ICSC were based upon an analysis of comparable duties and responsibilities under the Master Standard, it saw no reason to modify the results of its own studies. ICSC decided: (a) to proceed with further remuneration comparisons on the basis of the grade equivalencies, subject to refinements which might be required as a consequence of the exercise to validate the grade equivalencies which had been determined on the basis of the Master Standard; and (b) to note that the further remuneration comparisons would be based on a total compensation approach in accordance with the established methodology for phase II studies *[ICSC/41/R.19, paras. 120-123, 129 and 131, and annex V]*.

ICSC also had before it the results of **grade equivalencies and remuneration comparisons conducted with the World Bank and OECD,** which it had agreed to retain for reference purposes in the context of its review of the Noblemaire principle and its application *(see also sections 2.1.10 and 2.1.20).*

ICSC recalled that the information collected by the secretariat on the World Bank and OECD was to have been in the nature of reference data. It noted in that regard that, while the grade equivalencies had been conducted according to the standard process used in the other studies, the resulting remuneration comparisons had been arrived at on the basis of a limited (cash compensation) approach, owing to the reference nature of the study. Noting that consultations were continuing on the World Bank grade equivalencies, which were thus not final, ICSC decided to limit itself at the current session to a consideration of the OECD results. ICSC took note of the information before it and concluded that the OECD grade equivalency exercise, which had a validation rate of 95 per cent, had been carried out in a professionally rigorous manner *[ICSC/41/R.19, paras. 172-173]*.

ICSC decided to note with appreciation the established grade equivalencies for OECD *[ICSC/41/R.19, para. 178] [The remuneration-related impact of this decision is recorded in section 2.1.20]*.

ICSC noted that further information with regard to the World Bank equivalencies had yet to be established *[ICSC/41/R.19, para. 179]*.

42nd session (July/August): ICSC concluded its review of the **grade equivalency study with the US federal civil service**. Updated granted equivalencies in respect of 2 special pay systems (OCC and OTS: see above) were reviewed *(ICSC/42/R.9).* ICSC noted that the 1995 grade equivalency study covered 526 posts. Having reviewed the results of the validation exercise conducted with classification specialists of the US federal civil service, ICSC decided to report to the GA that it had conducted a new grade equivalency study with the comparator and, in that context, had decided: (a) to include the SL and ST pay systems of the comparator; (b) to exclude the comparator's GS-7 positions from future remuneration comparisons; (c) to exclude the ASG/USG levels from the current grade equivalency studies; (d) to note the results of the validation exercise, which showed an agreement rate of 92 per cent; and (e) to endorse, for remuneration comparison purposes, the results of the 1995 grade equivalency with the comparator civil service *[A/50/30, para. 119 (a)]*.

ICSC was also presented with the results of the comparison with the **Swiss federal civil service** *(ICSC/42/R.6, Parts I and II).* The grade equivalency study included a sample of 105 jobs in the Swiss civil service which had been graded against the ICSC Master Standard in accordance with the standard method and process. The validation exercise by Swiss classification specialists had resulted in a confirmation rate of over 90 per cent *[A/50/30, para. 130]*.

ICSC confirmed the results of the grade equivalency study and noted that the validation exercise carried out with Swiss classifiers had resulted in a highly satisfactory confirmation rate *[A/50/30, para. 139]*.

ICSC reviewed remuneration comparisons with the **German civil service**, which it had agreed at its 41st session might proceed, subject to refinements that might be required as a consequence of the exercise to validate the grade equivalencies on the basis of the ICSC Master Standard. Further attempts in this regard during the intersessional period had resulted in a member of the ICSC secretariat travelling to Bonn, *inter alia* to follow up efforts to encourage the German Government's participation in a validation exercise. At its 42nd session, ICSC was informed that despite multiple attempts on the part of the secretariat, it had not been possible to secure the agreement of the German Government to proceed with a validation exercise *[A/50/30, para. 144]*.

During the course of the 42nd session, ICSC was apprised, by means of two formal letters and other less formal contacts, that the German authorities contested the results of the grade equivalencies which they considered as being one grade too high. Their reasons were two-fold: the limited scope of the sample selected for the exercise and the questionable applicability of the Master Standard to German federal civil service posts *[A/50/30, para. 156]*.

ICSC was concerned that it had not been possible, despite the efforts made, to carry out a validation exercise with the classification specialists of the German civil service. It noted that validation exercises had been very successfully carried out with the current comparator and, in the context of the current studies, with the Swiss federal civil service, the World Bank and OECD. These exercises had resulted in confirmation rates of 90 per cent and more. Some discussions took place on the import of the concerns raised by the German authorities at this time. For some, the information now presented raised serious new concerns; others considered that in essence the information added nothing to what had already been known at the 41st session, when ICSC had approved the grade equivalency results in principle and had agreed to proceed with the exercise. It was noted that the validation exercise was not part of the formal methodology for identifying the highest paid national civil service, but rather a practice that had developed over the years with the current comparator. There could therefore be no question of the entire process being held hostage to the validation. It was nonetheless incumbent upon ICSC to examine whether the concerns underlying the competent German authorities' reluctance to

engage in a validation exercise were relevant in terms of the parameters of the study *[A/50/30, paras. 157-158]*.

ICSC proceeded to analyse in detail the two main issues raised by the German authorities. The first revolved around the fact that all the jobs included in the grade equivalency study were located in the federal ministries; in the German authorities' view, executing agencies should also have been covered. ICSC was informed that the established process called for a comparison between jobs at the headquarters/base of the two systems. The initial selection of jobs for the grade equivalency exercise had been made jointly by the ICSC secretariat and officials of the German Government. There were no executing agencies in Bonn, the headquarters of the German federal civil service; hence, those agencies had not been included. In this connection, the planned relocation of the German federal civil service to Berlin was discussed. It was recalled that that matter had been tabled at the time of the initiation of phase I of the study, but had not been pursued. It was also noted that the executing agencies were composed predominantly of *Angestellte* staff. ICSC recalled that the sample selected for the present study included *Angestellte* jobs in the ministries. The results showed no discernible difference between grading patterns in the *Beamte* and *Angestellte* groups, except that there were practically no *Angestellte* positions at grades equivalent to P-5 and above. The grading pattern between *Angestellte* and

Beamte determined by application of the ICSC Master Standard was, moreover, supported by the grade equivalencies established between the two groups by the German authorities. A view was nonetheless expressed that, because the executing agencies had not been included in the study, it was not possible to ascertain whether the same correlation in grading patterns existed between staff in the ministries and those in the executing agencies. The secretariat responded at several points that German officials had informed the secretariat that there was no difference in duties and responsibilities between *Beamte* and *Angestellte*. One member was also not convinced of the statistical validity of the sample selected. The secretariat pointed out that the sampling techniques employed had measured the remuneration of 95 per cent of German civil servants within plus/minus 2 per cent. In statistical terms, that was tantamount to a 95 per cent confidence in the results. The sample for the German study was proportionately larger than that used for the US grade equivalency studies. ICSC had accepted the sampling techniques used in all other such studies *[A/50/30, paras. 159-160]*.

Regarding the issue of the applicability of the ICSC Master Standard to the German civil service, which did not follow a fully rank-in-post approach, ICSC was informed that the approach used in all grade equivalency studies, prior and ongoing, had been to measure the nature of the work performed, not the qualities of post incumbents. In the case of the German civil service, that had been done through a rigorous process of on-site interviews and corroboration of the results by two classifiers, with the full cooperation of all the ministries concerned. What had emerged was that even though the German civil service had a rank-in-person component, it was possible to measure the relative worth of jobs on the basis of job content. The secretariat noted that experience with the Senior Executive Service of the current comparator (which followed a rank-in-person approach) and with the Swiss civil service (which had a hierarchical career structure similar to the German civil service) supported the applicability of the Master Standard to situations that were not strictly rank-in-post. That explanation notwithstanding, a few members of ICSC remained concerned about the German authorities' view that the grade equivalencies resulting from the study were one grade too high. In that connection, it was observed that the German authorities had not provided any supporting material for this statement and no information had been provided as to the classification criteria used for such comparisons. ICSC was also provided with the results of an alternate German/US comparison, using grade equivalencies established by OECD (on the basis of which annual remuneration data was provided by Germany to OECD) and ICSC-approved OECD equivalencies. This showed German civil service total compensation to be 113.7 per cent that of the US federal civil service. That finding indicated that the

grade equivalencies arrived at in the current ICSC study were, if anything, conservative *[A/50/30, para. 161 and annex VIII]*.

Some members suggested inviting a representative or representatives of the German authorities to review the specifics of their concerns. It was concluded that that would not be feasible for a number of reasons. It was also queried whether such an exchange would add much to a discussion of which the parameters were well understood *[A/50/30, para. 162] [For further details of remuneration comparisons and reports to the GA, see section 2.1.20]*.

Concerning reference data on international organizations, ICSC took note of information presented by the secretariat which supplemented and updated that provided at the 41st session in respect of the **World Bank** *(see section 2.1.20 for details).* ICSC endorsed the grade equivalency exercise with regard to the World Bank, which had resulted in a validation rate of 100 per cent *[A/50/30, para. 189]*.

By **resolution 50/208**, the GA requested ICSC and the national civil service authorities concerned to resolve the outstanding difficulties in comparing differently designed civil services and grading systems, within the approved methodology, in order to complete the study on the highest paid national civil service, and to report thereon to the GA.

2000 **51st session (April):** ICSC took note of the progress report presented by its secretariat on study concerning the grade equivalency between the United Nations and the comparator United States federal civil service. ICSC requested its secretariat to review the methodology for future grade equivalency studies with a view to simplifying the process and reducing administrative costs, without jeopardizing the quality of the results. ICSC also invited organizations to reflect on CCOG codes, inter alia, in emerging occupations such as occupations covering humanitarian affairs and issues of governance [*ICSC/51/R.13, paras. 36-38*].

52nd session (July/August): ICSC concluded its review of the **grade equivalency study with the US federal civil service.** ICSC noted that for the 2000 grade equivalency study some 600 posts were selected. Having reviewed the results of the validation exercise conducted with classification specialists of the US federal civil service, ICSC reported to the GA that the new grade equivalency with the comparator. It (a) noted the results of the validation exercise, which showed an agreement rate of 92 per cent; (b) endorsed for remuneration comparison purposes, the results of the 2000 grade equivalency exercise with the comparator civil service; and (c) requested its secretariat to review the current methodology and repeated the request made at the 51st session to explore more efficient means to streamline the process and reduce administrative costs without jeopardizing the quality of the results in future grade equivalency studies *[A/55/30, para. 149]*

In **resolution 55/223,** the GA noted the results of the updated grade equivalency study undertaken by ICSC with the United States federal civil service and the decisions of the Commission in respect of that study.

2005 **60th session (March):** The Commission was presented with an interim report of the status of the exercise *[ICSC/60/R.10]*. This exercise had not proceeded as planned. The Commission was requested to note that the delay was due to the fact that United States federal civil service, which in the past had provided the secretariat with access to the data files containing detailed information on relevant positions, had been unable to provide information on changes to the pay systems in its database since the situation was a dynamic one and precise information was not yet prepared *[ICSC/60/R.13, para. 85]*. The Commission was informed of difficulties experienced by the secretariat in obtaining relevant data for the SES positions as a result of ongoing changes in the structure of the United States federal

civil service. The Commission therefore decided that upon receipt of more detailed information, it would continue discussion of the item at its sixty-first session, in July 2005.

61st session (July): The Commission was provided with an update of progress with the grade equivalency study relating to the revised structure of the comparator's Senior Executive Service. The report indicated that discussions had been held with the United States Office of Personnel Management during which it had been noted that the application of performance pay was contingent on certification of the department's performance management system. It had been further noted that there was no uniform application of the broad-banded salary structure, as agencies used different criteria ranging from performance, to responsibility, to work criticality for movement through the band. [*A/60/30, para. 199*].

In the progress report, the Commission was informed that a random sample of 44 SES positions in 10 departments of the United States federal civil service had been reviewed, resulting in 75 per cent of the positions reviewed falling in the grade range of D1 to D2 in the United Nations system. The secretariat also provided a timetable for completion of the review of the remaining positions in the United States federal civil service.

The Commission decided to take note of the progress made and of further work to be done in connection with the grade equivalency exercise and looked forward to a report from its secretariat at its spring session in 2006. *[A/60/30, para. 212]*.

2006 **62nd session (March):** The Commission was informed that it had not been possible to complete the second half of the SES study, in which the comparison of salary levels between the two systems for the calculation of the margin would have been undertaken. This was due to the inaccessibility of relevant salary information for individual positions reviewed as well as to incompatible data reporting of SES salaries for the study requirements. It was noted that the reporting of salaries in a broad-banded/pay-for-performance system did not fit the data format of the Central Personnel Data File, which had been designed to store individual salary data by reference to identified grade levels. Considering the difficulties being experienced in obtaining salary information on a small number of positions in the SES category even from the agencies where they were located, the secretariat noted that the problem could escalate in the later study when data on pay systems for a larger population that had moved away from the General Schedule was to be collected [*ICSC/62/R.14, para. 109*].

The Commission, taking into account the changes taking place in the United States federal civil service, considered that work on the SES grade equivalency study should continue. Accordingly, the Commission decided: (a) to take note of the status of the grade equivalency exercise; (b) to approve the list of occupations proposed in the annex and to delegate authority to the Chairman to include further occupations deemed appropriate on the basis of additional information, if provided by the organizations; (c) to request its secretariat to continue the job evaluation study for positions in the General Schedule and other associated pay systems by reference to the current methodology; (d) to request its secretariat to provide a proposal for revising the methodology to be applied to a broad banded pay-for-performance system such as SES; (e) to request the secretariat to report to the Commission on the above matters at its 2007 spring session [*ICSC/62/R.14, para. 124- 125*].

63rd session (July): At its sixty-third session, the Commission considered a report on the study being conducted between the senior level positions in the United Nations common system and similar positions in the comparator under phase I of the current grade equivalency exercise. The results of the current study, when compared with the results of previous studies, appeared to be somewhat at

variance with each other, and the secretariat proposed that the study be broadened to provide for the greater reliability of overall results.

The Commission decided therefore to request its secretariat to: (a) enlarge the sample for further study of the Executive Service positions; (b) continue the study of the Senior Executive Service positions, in conjunction with the study of the General Schedule and other relevant pay systems; (c) provide the Commission with a status report at its sixty-fourth session, in March 2007; (d) report to the Commission on the final results at its sixty-fifth session in July 2007; (e) explore the feasibility of comparing standards in lieu of auditing jobs [*ICSC/63/R.17, para.102*].

2007 **64th session (March):** In keeping with the Commission's decision that an enlarged sample of Senior Executive Service positions should be studied further, the secretariat made several attempts to obtain additional job information, first from the United States Office of Personnel Management and subsequently from individual agencies of the United States Federal Civil service that had provided information in the 2006 SES study. Those attempts proved to be fruitless, as no meaningful response was received from the agencies.

The Commission decided to request its secretariat to: (a) explore, in coordination with the HR Network, alternative approaches to the current job-by-job comparison; (b)contact agencies in the United States Government to request data and statistics necessary to test those alternative approaches and to seek their commitment to provide the data on an ongoing basis;(c) present a progress report to the Commission at its sixty-fifth session [*ICSC/64/R.11, para. 35*].

2008 **66th session (March/April):** The Commission was provided with an update on the efforts to collect and analyze job data from the United States federal civil service for completion of the current grade equivalency study. The Commission was informed that the secretariat had continued its efforts to establish contacts with the World Bank and the International Monetary Fund (IMF) with a view to engaging a single consultancy firm to conduct comparative studies for the three organizations, i.e., the United Nations, the World Bank and the IMF. The ICSC secretariat had also been exploring the possibility of retaining the services of a consultant/consulting firm to assist in the completion of the current study.

In response to the Commission's request at its sixty-fourth session to explore alternative approaches to the current job-by-job comparison, the ICSC secretariat proposed that a methodology in which benchmark jobs are compared be explored and tested. The secretariat also requested the Commission to consider decreasing the frequency of the conduct of future studies [ICSC/66/R.13, para. 59].

The Commission decided to request its secretariat: (a) to continue to explore the possibility of pursuing the grade equivalency study both jointly with the World Bank and the IMF and separately with a consultancy firm or an individual expert capable of assisting the secretariat in completing the study in a timely manner; (b) upon satisfactory completion of the study, to measure the periodic impact of grade equivalency exercises on margin calculations in order to determine a better frequency for job comparisons; (c) to explore alternative approaches and conduct studies and simulations as necessary [ICSC/66/R.13, para. 64].

2009 **68th session (March/April):**

The ICSC was informed that technical bids had been submitted through the United Nations Procurement Division and had been evaluated. A consulting firm would be selected to carry out the grade equivalency study as soon as the assessment of the financial proposals was completed.

The Commission requested clarifications on the expected work to be carried out by the successful bidder and took note of the progress report on the United Nations/United States grade equivalency studies. It requested the secretariat to report on the item at its seventieth session [ICSC/68/R.10, para. 51].

2010 **71st session (July/ August):** The Commission reviewed the results of the grade equivalency study and of the validation exercise with the comparator, the United States federal civil service. The study involved equivalencies for approximately 500 posts representing the most populous occupational groups within the United Nations common system and included posts from the United States General Schedule and other special pay systems in Washington, D.C. [A/65/30, paras. 131 and 132]. The ICSC observed that the establishment and validation of grade equivalencies between the United Nations and the comparator are key components of the calculation of net remuneration margin. Hence it also reviewed the results of the net remuneration margin calculations based on the incorporation of the results of the study and noted that the outcome was a revised margin of 113.3 for the calendar year 2010 as compared to 112.7 based on the existing grade equivalencies. [A/65/30, para. 133].

The Commission recalled that difficulties in accessing the data had prevented the conduct of a full study in 2005 and that it had requested its secretariat to explore alternative approaches to the current job-by-job comparisons and to measure the periodic impact that grade equivalency exercises had on margin calculations, in order to determine a better frequency for job comparisons. In that context, the Commission considered recommendations which involved the collection of data on fewer occupations annually and/or utilizing vacancy notices from the comparator's website and a recommendation by the consultant that with the application of a non-linear regression analysis, smaller samples could be used from fewer agencies within the comparator's system while maintaining valid results. The ICSC decided to request the Advisory Committee on Post Adjustment Questions to examine the recommended approaches and report on their statistical validity. The Commission urged its secretariat to continue to explore and test various approaches with a view to simplifying the present process. The necessary studies should be pursued with all urgency before the beginning of the next five-year cycle [A/65/30, paras. 137 and 138].

The Commission decided to: (a) approve and accept the results of the new grade equivalency study; (b) request the Advisory Committee on Post Adjustment Questions to review statistical methods recommended in the present report to determine their appropriateness for establishing equivalencies and calculating the net remuneration margin, and to report to the Commission at its seventy-second session; (c) request its secretariat to review the methodology for determining the grade equivalencies with the comparator with a view to simplifying it; (d) report to the General Assembly that it had conducted a new grade equivalency study as part of its regular review. [A/65/30, para. 139].

2011 **72nd session (March/April):** ICSC considered a report from ACPAQ containing inter-alia an evaluation of the statistical validity of a report on the establishment of grade equivalencies between the United States federal civil service and the United Nations. The Secretariat stated that while the Committee (ACPAQ) saw merit in some recommendations regarding more efficient data-collection mechanisms, it found the recommendation to use the non-linear regression analysis to be problematic as that method over-simplified the complex nature of the relationship between the grades of staff of the US federal civil service and those of the United Nations and thus was not applicable to the current framework for calculation of the net remuneration margin.

ICSC decided to take note of the Advisory Committee's evaluation of the statistical validity of the recommendations on the establishment of grade equivalencies between the United States federal civil service and the United Nations system. [ICSC/72/R.9 paras. 52 and 53].

2012 **<u>74th session (February/March)</u>**:

After reviewing the United Nations/United States net remuneration margin methodology, the Commission decided to request its secretariat to explore further alternative approaches to establishing the grade equivalencies, which were of fundamental importance to the comparisons, and to report back to it at a later session. (ICSC/74/R.9 paragraph 74).

The suggestion was made that one possible approach would be for the United Nations to prepare benchmarks for the jobs to be matched and then grade those jobs using the United States classification standards. This process would solve most, if not all, of the problems such as access to United States officials to conduct job interviews, obsolete United States job descriptions, and errors in classification in both the United Nations jobs and United States jobs. Completion of the entire study would be within the control and competence of the Commission secretariat. The Commission also discussed an option of combining the present set of jobs that were used in the margin calculations into broader groupings of similar jobs. The benefit of such an approach would be that more robust data would be used to calculate the United States average salaries for some jobs that were presently based on comparatively sparse data, since the number of United States officials in those jobs was more limited. Some Commission members noted that since the way jobs were grouped would have an impact on the margin, it was essential that only jobs that were truly similar from the common system perspective should be grouped together. In this regard, the Commission agreed that given the interest in studying alternative approaches to establishing grade equivalencies, which might then have a bearing on the jobs used in the calculation procedure, the issue of how jobs were grouped should be deferred until that study was completed. (74/R.9 paragraphs 65-66).

2013 **<u>76th session(February/March):</u>** In document ICSC/76/R.6, the Commission was provided with information on the progress of the methodology for grade equivalency study which it had requested at its 74th session. In light of the difficulties experienced by the sececretariat in precisely establishing equivalencies with the US ICSC had repeated its position that it was necessary to consider whether there were other ways to establish grade equivalencies that might be more viable and less resource intensive than the current approach. ICSC was informed that the study had commenced and would include analysis of 500 job descriptions for positions graded P-1 to D-2 levels based at headquarters and established duty stations; positions from the 24 most populous occupational groups in the common system drawn from jobs in 18 organisations would be included in the sample. The result of the study was expected to be reported to the Commission at its seventy-seventh session.

The Commission recalled the difficulties that its secretariat had experienced in past years with agencies of the United States federal civil in acquiring the job descriptions needed for the grade equivalency studies and scheduling interviews, when necessary, with Human Capital officers. It was pointed out that grade equivalency exercises were critical in the calculation of the margin and that it was important to have a solid basis to determine equivalent grades between United Nations personnel and those of the comparator civil service [ICSC/76/R.10, Chapter VII.B]. A number of Commission Members questioned the timing of the study, bearing in mind that in the most recent study (2010) the consultant had made certain recommendations with a view to simplifying the current methodology. These included the collection of fewer benchmark jobs on a rotating basis from the comparator and the use of a non-linear regression analysis to determine the matching of the jobs. It was felt that the suggestion to rotate occupational groups was a sound one and that these methods should have been tried before experimenting with new ones. It was recalled that ACPAQ had advised that the regression model approach, as recommended would not have been able to fulfil all that was expected of it and was therefore not applicable to the current framework for for calculating the net remuneration margin. The Commission’s secretariat clarified the methodology, including the method that would be used to compare current with past results. The secretariat also provided clarification on the factors used in the

United States General Schedule classification standard and how those factors would be applied and aligned to jobs within the United Nations system to maintain the integrity of the results.

In conclusion, the Commission agreed that as the data collection for the upcoming periodic study in 2015 would have to begin in 2014, any new methodological study would have to be completed in 2013. The Commission decided to instruct its secretariat to continue the work and to report the results at its seventy-seventh session [ICSC/76/R.10, para. 61].

2014 **78th session (March):** A working group established by the Commission in the context of its review of the compensation system considered options for overcoming difficulties encountered in completing the most recent grade equivalency studies. The comparator civil service continued to increase the number of different pay systems and individual agencies were increasingly responsible for their own human capital functions. The working group noted that while the General Schedule system remained by far the single largest pay system, data from other pay systems with jobs similar to those in the common system were increasingly hard to get and it made a number of recommendations to the Commission.

The Commission decided, inter alia:

- That the grade equivalencies for those pay systems that were relatively stable should be maintained unless there were significant changes to those systems;

- That the regular cycle of five years for grade equivalency studies should be discontinued and limited equivalency studies focusing on other special pay systems of relevance to the common system should be considered; (ICSC/78/R.10, para. 133, (c) and (d).

SECTION 2.1.40
MARGIN BETWEEN UNITED STATES FEDERAL CIVIL SERVICE AND THE UNITED NATIONS

1976 **3rd session (March):** ICSC concluded that in fixing the level of UN remuneration in relation to that of the US federal civil service, due regard should be given to the difference between the two services, in particular the predominantly expatriate character of UN service. In the opinion of the majority of members, it would be inappropriate to define a precise optimum margin between UN remuneration and that of the US; the appropriate level should be determined pragmatically, taking into account all relevant factors *[A/31/30, para. 55]*.

ICSC concluded that the existing level of UN remuneration in relation to that of the US federal civil service was satisfactory. It recommended that the GA should instruct ICSC, as a standing body, to keep under continual review the relationship between the levels of remuneration of the US federal civil service and the UN system, having due regard to all relevant factors, including the difference between the two services and recruitment experience. At any time ICSC considered corrective action was necessary, it should either recommend such action to the GA or, if urgent conservatory action was necessary between sessions of the Assembly to prevent an undue widening of the margin of UN remuneration over that of the US, take appropriate measures itself within the operation of the PA system *[A/31/30, paras. 55-57]*.

The principle of a margin had been admitted when the Noblemaire principle was first propounded in the early days of the League of Nations. The Noblemaire Committee, in justifying the salary scales it proposed, said they included a margin (on account of expatriation) of 50 per cent above the level of the highest paid national civil service (that of the United Kingdom) at the lowest grade, tapering off to 25 per cent at the highest grade. In addition, an allowance of 20 per cent was made for the difference in cost of living between London and Geneva. In subsequent reviews the principle of a margin to take account of the extra expenses resulting from expatriation had been reaffirmed, but its extent was not again precisely defined; League salaries were adjusted from time to time on the basis of changes in their real value and of recruitment experience *[A/31/30, para. 169]*.

By **resolution 31/141 B**, the GA decided that ICSC should keep under continual review the relationship between the levels of remuneration of the comparator civil service, at present the US federal civil service, and the UN system, having due regard to all relevant factors, including the differences between the two services. At any time when ICSC considered corrective action necessary, it should either recommend such action to the GA or, if urgent conservatory action were necessary between sessions of the GA to prevent an undue widening of the margin of UN remuneration over that of the comparator civil service, take appropriate measures itself within the operation of the PA system. The GA also endorsed the Commission's conclusion that the comparison between UN and US remuneration should continue to be made in terms of net remuneration of a married official without children and should be made between the remuneration existing at the headquarters of the two services, i.e. New York and Washington D.C., the difference in cost of living between the two cities (as shown by the UN PAI) being taken into account. To discount temporary fluctuations due to changes occurring in the remuneration of one or the other service at different times, the margin would be expressed as the average existing over the 12-month period from October to September**.**

1977 **5th session (February/March)**: In response to GA resolution 31/141 B, ICSC decided to review at each of its sessions the evolution of the relationship between the remuneration of the two services. That relationship could be modified by several factors: (a) any change in the absolute level of UN remuneration which might be decided by the GA; (b) changes in the level of UN remuneration in New York resulting from the operation of the PA system; (c) changes in the level of remuneration of the US

federal civil service; (d) changes in the relative costs of living in Washington and New York *[A/32/30, para. 31]*. The comparison continued to be made on the basis of net remuneration and of the grading equivalencies adopted by ICSC for the purposes of the 1975-1976 review, namely: UN grade P-3 = US grades GS-12/GS-13; P-4 = GS-14; P-5 = GS-15 *[A/32/30, para. 32]*.

ICSC noted that for the period October 1975-September 1976 the average net remuneration margin stood at 112.7 and for October 1976-September 1977 at 113.3. *[A/32/30, para. 34]*. The average net remuneration of US officials in Washington had increased at a somewhat greater rate during the period than had the remuneration of UN officials in New York, but that increase had been more than offset by a narrowing of the difference in the cost of living between New York and Washington, the overall result being a very slight widening of the margin, compared with the previous period. In the meantime the slight change in the margin was not, in the opinion of ICSC, such as to call for any immediate action *[A/32/30, para. 35]*.

The GA by **resolution 32/200** noted the assurance given by ICSC that, in compliance with the request made in GA resolution 31/141 B (1976), it would continue to keep under continual review the relationship between the levels of remuneration of the comparator national civil service and of the UN common system, in particular with respect to any divergencies resulting from the operation of the PA system.

1978 **7th session (February/March)**: ICSC noted that its report on the evolution of the relationship between the levels of remuneration of the two services during the 12-month period from October 1977 to September 1978 *(A/31/30, paras. 149-167)* showed that the margin of UN remuneration over that of the US federal civil service, had fallen during that period to 9.3 per cent *[A/33/30, para. 131]*.

The experience of 1977-1978, in fact, confirmed that of earlier years, as recorded by ICSC in paragraph 40 of its previous report *(A/32/30)*, namely, that "over a period of a number of years, with the exception of the years of high inflation 1973-1975, the annual increases in salaries of the US federal civil service had equalled or exceeded the rise in the cost of living". As long as that continued to be so, there was no danger that the operation of the PA system would result in a widening of the margin. As remarked by ICSC in 1976, the risk of widening the margin would occur only "in so far as the US federal civil service might from time to time lag behind the maintenance of real income of its staff". The record showed that when such lags had occurred, they had been corrected the following year or soon after that. ICSC thus concluded that the risk of a widening of the margin through the operation of the PA system, while it theoretically existed, was practically remote. It was in the perspective of the low degree of probability that such an event would occur that ICSC viewed the feasibility of introducing into the system a safety device to prevent it from ever happening. ICSC stated that such a device was technically feasible; the PA in New York would be "frozen" and would only be "unfrozen" when, and to the extent that, an increase in US federal civil service salaries was announced. The "freeze" could not, in equity, be applied only to staff in New York; consequently, when the index of New York was "frozen" that of every other duty station would have to be frozen to the same extent as that of New York, but any increase in the local index exceeding that of the New York index would be implemented normally *[A/33/30, paras. 133-135]*.

By **resolution 33/199**, the GA (a) noted the ICSC report on the evolution of the relationship between remuneration of the P and higher categories of the common system and the comparator national civil service and the ICSC conclusions on safeguards existing against possible undue widening of the margin between levels of the remuneration of the two services resulting from the operation of the PA system; (b) approved the use, for the purpose of making such salary comparisons, of the table of grading equivalencies recommended by ICSC in para. 92 of its report *(A/33/30)*; (c) requested ICSC to continue its study of grade equivalencies between the UN common system and the comparator national

civil service, in order to determine the proper equivalent grades in the comparator system for the UN grades of D-2 and ASG, and to report its findings to the GA at its 34th session; (d) requested ICSC to study the feasibility of identifying posts of equivalent functions and responsibilities for the post of USG and to report to the GA at its 34th session.

1979 **9th session (February/March)**: ICSC considered whether the salary rates of the US federal civil service grades to be used in calculating the margin should be those of the officially published salary scales or those of the salary rates resulting from the temporary ceiling imposed by the US Congress. It decided that the published salary scales should be used, because they resulted from the normal process of job analysis and comparison with salaries paid in the marketplace for work of equivalent value and responsibility and thus provided a scale of compensation which differentiated between positions with different levels of responsibility. They were the rates of pay established by the comparator country under normal salary administration principles. ICSC also felt that it was questionable whether the UN salary system should fluctuate according to domestic political considerations of the comparator country, having regard to the temporary nature of the current salary ceiling *[A/34/30, para. 122]*.

The GA by **resolution 34/165,** approved the grading equivalency recommended by ICSC to be used in comparing US and UN remuneration.

1980 **11th session (February/March)**: ICSC noted that the margin stood at 113.9 during the period October 1978-September 1979 and at 116.0 during October 1979-September 1980 *[A/35/30, para. 91]*.

1981 **13th session (February/March):** ICSC recognized the difficulties for margin calculations that had been created by the introduction in the comparator country of the SES which was still in a state of evolution. While the comparisons for the year October 1978 to September 1979 had been based on the US equivalents of P-1 to D-1, the comparisons for the past two years had been based on levels P-1 to D-2, as approved by the GA in resolution 34/165 of 17 December 1979. ICSC considered that a certain stability in the basis for the calculation of the margin was desirable, and that it could be achieved by calculating the margin on the basis of the General Schedule grades equivalent to grades P-1 to P-5 (GS-9 to GS-15). Since, however, the GA had requested it to extend the basis of the margin calculation to D-2, ICSC decided to continue to use grades D-1 to D-2 as the basis for the current calculation of the margin until the GA decided otherwise *[A/36/30, para. 44]*.

Using the UN/US total compensation ratios obtained at grades P-1 to D-2 and the weights at these grades based on the latest statistics provided by CCAQ, a weighted average total compensation ratio of 120.9 and an average net remuneration ratio of 117.8 were obtained *[A/36/30, para. 60]*.

1982 **15th session (March):** ICSC noted the following developments in the US federal civil service salary structure: (a) an increase in base salary; (b) changes in the US rates of federal taxation; (c) further implementation of the SES system; (d) bonuses and performance awards issued by those in SES grades; (e) implementation of the merit-pay system *(A/37/30, para. 59)*. The average net remuneration ratio for the period October 1981-September 1982 was calculated at 118.2 *[A/37/30, para. 60]*.

1983 **18th session (July/August):** ICSC noted the following developments in the US federal civil service salary structure: (a) an increase in the base salary; (b) changes in the US rates of federal taxation; (c) bonuses and performance awards received by those in the SES; (d) the availability of more detailed and recent statistics that could be used for the conversion of the US federal civil service salaries from gross to net *(A/38/30, para. 18)*. The margin was calculated at 116.5 for the period October 1982 to September 1983 *[A/38/30, paras. 18 and 19]*.

1984 **19th session (March)**: ICSC noted the following developments in the US federal civil service which were taken into account in the margin calculations: (a) an increase in the base salary; (b) further implementation of the SES system. On the basis of the results of a new equivalency study, ICSC

decided that the weighted average of all the SES salaries paid to the total relevant SES population should be used when calculating the margin between SES and levels D-1 and D-2. The net remuneration margin stood at 117.0 for the period October 1983 to September 1984 *[A/39/30, paras. 72 and 74]*.

ICSC decided by a majority that the level of the margin must continue to be determined in a pragmatic manner. It was felt that the level of the margin should be determined on the basis of a range below which and above which UN salaries should not be permitted to fall or rise significantly over a period of time, e.g., five years. That view was linked to the national levels concept of the basis of P remuneration, so that there would be a review of the level of UN salary every 4 or 5 years to bring it into line with that range of the margin *[A/39/30, para. 105]*.

(See section 2.1.70 for the reflection of the ICSC decision on the adjustment of the New York PAI.)

In **resolution 39/27** the GA requested ICSC 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 UN in New York and that of the comparator civil service and its effect on the operation of the PA system; (b) submit its recommendations to the GA at its 40th 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 had been within a reasonable margin range of 15 per cent; (ii) the technical measures that would be applied by ICSC to ensure that the PA system operated within the framework of the defined margin range; (c) take the necessary measures to suspend implementation of the increase in PA for New York envisaged for December 1984, pending receipt by the GA at its 40th session, and action thereon, of the ICSC recommendations regarding the margin and other measures referred to in (a) and (b) above; (d) take whatever related measures were required in respect of the PA 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.

1985 **21st session (March)**: During the consideration of the matter of the desirable range for the net remuneration margin, ICSC noted the views expressed by the organizations that further studies should be undertaken by ICSC 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, ICSC decided to confirm the definition of the net remuneration margin on the basis currently available *[A/40/30, para. 119]*.

The use of the cost-of-living differential between New York and Washington, D.C., emanated from the ICSC decision to compare the HQ of the UN system (New York) with the HQ of the US federal civil service (Washington, D.C.). Further, New York was not the HQ of the US federal civil service and 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 UN system of remuneration was that of equalization of purchasing power between New York and all other duty stations through the PA system. Consequently it was appropriate to reflect the cost-of-living differences between New York and Washington, D.C., in the margin calculations *[A/40/30, para. 57]*.

ICSC decided to continue reporting the margin based on net remuneration as calculated on the basis of the current methodology *(A/40/30, annex I)*. However, in view of the mandate in GA resolution 31/141 B, requiring ICSC to keep the margin continually under review and in the light of information received

by ICSC that might suggest a further rationalization of the comparison, ICSC decided to review certain aspects of the methodology at a future date certain *[A/40/30, para. 58]*.

ICSC cited three factors for having a margin: (a) the relatively better position of national, as compared with international, civil 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 used as the basis for the margin on the UN side. One of those factors resulted in shorter careers for UN 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 calculating the 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 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 *[A/40/30, para. 64] (see also section 2.1.50 below).*

ICSC: (a) informed the GA that in response to the request made in resolution 39/27, it had decided to recommend to the GA a range of 110 to 120 for the net remuneration margin, and considered that a 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) decided to recommend a procedure for the operation of the PA system within the approved margin range; (c) decided to inform the GA that the net remuneration margin between the remuneration of UN officials in New York and that of the US federal civil service employees in Washington, D.C., for the current margin period, i.e., from 1 October 1984 to 30 September 1985, stood at 121.3, i.e., at a level higher than the upper limit of the recommended margin range; (d) informed the GA that preliminary indications were that no increase in salaries would be granted to US federal civil service employees during 1986 *[A/40/30, para. 37]*.

22nd session (July): In its consideration of the basis on which comparison was made between the UN and the US federal civil service, ICSC was provided with details on the remuneration of US 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 UN P 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 *[A/40/30, para. 68]*.

It was proposed that a new comprehensive equivalency study be undertaken between comparable positions in the UN and the US federal civil service. Additionally, the following analytical improvements in the comparison methodology were suggested: (a) use of regression analysis and the dual pay line concept as used by the 1985 comparator in its own salary-setting process; (b) use of average salaries to calculate the difference between the remuneration of US and UN 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 US Internal Revenue Service (IRS) *[A/40/30, para. 69]*.

ICSC 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 UN/US comparisons; (b) proceed with the new comprehensive grade equivalency study as part of its work programme; (c) study the SES

structure in five US government agencies and report thereon to ICSC, 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 US and UN data) in the context of the approved equivalency study *[A/40/30, para. 79]*.

By **resolution 40/244**, the GA: (a) approved the range of 110 to 120, with a desirable mid-point of 115, for the net remuneration margin, on the understanding that the margin would be maintained at a level around the desirable mid-point of 115 over a period of time; (b) requested ICSC: (i) to develop further the methodology for calculating the net remuneration margin, taking into account the views expressed at the session, and to study the possibility of calculating the margin as specified and to report thereon to the GA at its 41st session; (ii) to further elaborate procedures for the operation of the PA system within the approved margin range of net remuneration which would enable ICSC to maintain the margin at a level around the desirable mid-point of 115 over a period of time, and report thereon to the GA at its 41st session.

1986 **23rd session (March)**: In accordance with the GA request, ICSC continued to keep under review the relationship between the levels of remuneration of the UN and the comparator. In its 11th annual report, ICSC provided a description of the methodology used for calculating the margin based on net remuneration *[A/41/30, para. 48]*.

Since 1976, the margin calculations reported by ICSC to the GA had been carried out on the basis of remuneration at step I on both sides. In its second annual report *(A/31/30, paras. 168-187)*, ICSC had provided details of its consideration of that issue and had expressed the view that, once grade equivalencies were established, it could be assumed that staff members in comparable grades in both services not only performed work of a comparable level but also reached comparable points in their respective careers. On the basis of that consideration, the use of step I for the purposes of margin calculation was considered appropriate. The above decision, however, had been taken before the US federal civil service introduced the merit pay system and also before the special rates programme became more widely applicable. With the introduction of the merit pay system, which had no steps but only a range of salaries within which merit increments were granted, comparable points in the respective UN and the US careers could no longer be measured in terms of steps. By restricting the comparison to step I of each grade, the data on actual salaries for each matching grade were based on a limited number of staff in both civil services *[A/41/30, para. 67]*.

24th session (July): ICSC noted that, under the merit pay plan, nine within-grade increases at each grade level were replaced by annual increases based on its merit pay "pool". That plan covered about 120,000 supervisors and managers in grades 13-15 of the General Schedule, about 50 per cent of whom were in the Washington, D.C. area. Only 358 employees covered by the merit pay plan were at step I of their respective grades. The implications for the accuracy of the margin comparison of ignoring actual salaries paid to such a large body of staff in the Washington, D.C. area were obvious. Consequently, only a comparison based on average net remuneration for each grade could properly reflect actual salaries paid in the US federal civil service. ICSC further noted that it was a widely accepted practice in compensation comparison studies to use average salary data. In view of the above considerations, ICSC decided that average salaries applicable at each grade for staff in the two civil services should be used for net remuneration margin calculations *[A/41/30, para. 68]*.

ICSC agreed to the following: (a) grade equivalencies should continue to be established using UN common system jobs from the P and higher categories and the US federal civil service jobs in Washington, D.C.; (b) remuneration comparisons should be carried out on the basis of the net remuneration of the two civil services in New York. As there was no differential between the

remuneration of US federal civil service employees in New York and Washington, D.C., the remuneration amounts for US federal civil service employees in Washington, D.C. should be used for those in New York; (c) the cost-of-living differential between New York and Washington, D.C. should not be taken into account in margin calculations; (d) only that part of bonuses and performance awards which formed part of the base pay of the US federal civil service employees should be taken into account in margin calculations; (e) average salaries applicable at each grade for staff in the two civil services should be used for net remuneration margin calculations *[A/41/30, para. 69]*.

ICSC recalled that the margin figures it had reported to the GA for the period 1976-1985 had formed the basis of its recommendations to the GA in 1985 concerning the desirable range for the net remuneration margin. As the GA had noted earlier, the cost-of-living differential between New York and Washington, D.C. had been taken into account in the margin figures reported to the Assembly during that period (ranging from 109.3 to 121.3, with an average of 115.8). This average had been used as the mid-point of the range and, allowing for approximately one class of PA in either direction, a range of 110-120 had been arrived at and recommended to the GA. If the cost-of-living differential had not been taken into account, the margin would have ranged from 118.8 to 127.6 for the same period and the average for the period 1976-1985 would have been 123.7 *[A/41/30, paras. 70 and 71]*.

The GA by **resolution 41/207:** (a) noted that, as regards the broad principles for the determination of the conditions of service of the staff, the role of ICSC, under article 10(a) of its statute, was to make recommendations to the GA; (b) recalled that by resolution 40/244 it had approved a range of 110 to 120 for the net remuneration margin, on the understanding that the margin would be maintained at a level around the desirable mid-point of 115 over a period of time, and considered that the margin range should be maintained for some time; (c) noted that in its discussions in 1986 on recommendations ultimately to be placed before the GA, ICSC had, *inter alia*, agreed that remuneration comparisons should be carried out on the basis of the net remuneration of the two civil services in New York, and that the cost-of-living differential between New York and Washington, D.C. should not be taken into account in margin calculations; (d) noted that in paragraph 70 of its report *(A/41/30).* ICSC had noted that the decisions made at its 24th session would result in significant changes in the margin calculation methodology, the level of the margin and the margin range itself; (e) noted that ICSC, when reporting on the margin, had always taken into account the cost-of-living differential between Washington, D.C., and New York; (f) requested ICSC to review, taking into account the views expressed at the current session of the GA, the issues dealt with in paragraphs 69(b) and (c) of its report *(A/41/30)* and to submit to the GA at its 42nd session its recommendations on the methodology for calculating the margin based on net remuneration.

1987 **25th session (March)**: In accordance with the mandate given by GA resolution 40/244, ICSC continued to keep under review the relationship between the levels of net remuneration of the UN and the US federal civil service. By resolutions 40/244 and 41/207, the GA had requested ICSC to develop further the methodology for calculating the margin based on net remuneration. The present comparison had been made on the basis of the net remuneration of the officials of the two civil services with a dependent spouse but no children and between the HQ of the two systems. Differences in cost of living between the two cities were also taken into account in the margin calculations. Grade equivalencies, as approved by the GA in resolution 34/165 (1979), were used for the purposes of margin calculations. The calculations were averaged over the 12-month period 1 October 1986 to 30 September 1987 *[A/42/30, para. 48]*. Subsequent to the previous ICSC report to the GA, the US Tax Reform Act of 1986 had been signed into law. That Act had certain implications for the margin calculation concerning the netting down of US federal civil service salaries used in the present calculations. Two alternative margin calculations were considered. They were based on the use of: (a) 1986 income tax rates and 1983 statistics for itemized and standard deductions; or (b) 1988 income tax rates and 1988 estimates of itemized and standard deductions *[A/42/30, para. 48]*. ICSC decided to apply the 1988

income tax rates and the corresponding estimates of tax statistics for netting down US federal civil service salaries. It took note of the margin level of 116 for the period 1 October 1986 to 30 September 1987 calculated on the basis of the existing methodology *[A/42/30, para. 52]*.

Taking into account the preamble of resolution 41/207 and the fact that the methodology for pensionable remuneration for the P and higher categories, which had a link with net remuneration, was expected to be reviewed in three years in accordance with resolution 41/208, ICSC, in accordance with its rules of procedure, recommended that the present net remuneration margin calculation methodology, as modified in paragraphs 69(a), (d) and (e) of its 12th annual report *(A/41/30)*, should continue to be applied for the next three years, after which it would be reviewed and reported on to the GA at its 45th session. ICSC would therefore report annually to the GA on: (a) the actual difference between the net remuneration of the UN and the comparator civil service, and (b) on the margin as calculated at present and as modified above *[A/42/30, para. 83]*.

By **resolution 42/221**, the GA: (a) decided to maintain the methodology described in annex I to the ICSC report submitted to the GA at its 40th session *(A/40/30)* for the calculation of the net remuneration margin; (b) requested ICSC to continue its examination of the methodology for calculating the net remuneration margin and to report thereon to the GA at its 45th session; (c) further requested ICSC to continue reporting annually to the GA on the net remuneration margin calculated in accordance with the methodology referred to above and to ensure that the margin was maintained at a level around the desirable mid-point of 115 over a period of time.

1988 **27th session (March)**: ICSC reviewed in detail the question of the lifting of the PA freeze in New York. It considered the impact of a decision it had taken at its July 1987 session on the introduction, with effect from 1 September 1987, of a revised methodology for the calculation of the out-of-area price progression factor in the PA. That decision, reported to the GA at its 42nd session, had been intended to abate the effects of currency fluctuations on take-home pay. It was not, however, foreseen that this revised methodology would also impact on the cost-of-living differential between New York and 1988 Washington, D.C., and thus affect the margin calculation. This change in the methodology, furthermore, directly affected the date of implementation of class 8 of PA in New York, which would have become due on 1 February 1988 as compared to a 1 June 1988 effective date under the previous methodology. Bearing in mind that, by resolution 42/221, the GA had requested ICSC to maintain the methodology for the calculation of the net remuneration margin as described in annex I to the 11th annual report *(A/40/30)*, ICSC decided that the previous methodology for the calculation of the out-of-area price progression factor should continue to apply for New York and Washington, D.C. *[A/43/30), paras. 15 and 16]*.

ICSC unanimously decided that: (a) the PAI for New York should be updated from October 1982, the date of the last comprehensive survey, using the consumer price index (CPI) published by the US Bureau of Labour Statistics (BLS) to adjust the in-area expenditures and the old out-of-area price progression factor using the calculation methodology in effect until 31 August 1987 to adjust out-of-area expenditures; (b) the PAI for Washington, D.C. should be updated from November 1982, using the BLS/CPI and the out-of-area price progression factor referred to in (a) above; (c) the PAIs calculated in accordance with (a) and (b) above should be used for the determination of PA classifications for New York and Washington, D.C., respectively, and for the calculation of the net remuneration margin; (d) the revised out-of-area price progression factor introduced by ICSC as from 1 September 1987 should continue to be used for the calculation of PAIs for all other duty stations until 31 August 1988 *[A/43/30, para. 17]*.

28th session (July): ICSC noted that, on the basis of its decisions at the March 1988 session, PA class 8 had become applicable in New York with effect from 1 June 1988. Based on this change, the net

remuneration margin for the period from 1 October 1987 to 30 September 1988 was 112.9. ICSC recalled that, on its recommendation, the GA, by resolution 40/244, had approved a margin range of 110 to 120, on the understanding that the margin would be maintained at a level around the desirable mid-point of 115 over a period of time. When the GA had approved the margin range, the net remuneration margin had stood at 121 *(A/43/30, paras. 18 and 19)*. The margin had been brought to its current level by not implementing PA classes due in New York on four separate occasions since December 1984 (April and December 1985, December 1986 and October 1987). On each occasion the PAI for New York had been scaled back to correspond to the PAC in effect. In order to equalize purchasing power between New York and other duty stations, PAIs for other duty stations had also been scaled back as of the same date and to the same extent. The PAI currently being used to determine PAC for New York was thus approximately 17 per cent lower than the PAI derived from the evolution of the cost of living in New York. ICSC had decided that through the continued application of the above-mentioned procedures it would henceforth maintain the margin around the desirable mid-point of 115, as requested by the GA. To that end, it would continuously monitor the following four factors which had an impact on the net remuneration margin: (a) size and timing of increases in US federal civil service salaries; (b) inflation in New York and its impact on the New York PAI; (c) US federal income taxes; (d) cost-of-living differential between New York and Washington, D.C *[A/43/30, paras. 18-21]*.

ICSC agreed that, based on the evolution of the above four factors under the normal functioning of the PA system, it would decide on the date of the PAIs for New York in such a way as to ensure that the resulting margin remained around 115. In this regard, ICSC recalled that it had already delegated responsibility for the operation of the PA system to its Chairman. However, with specific reference to operating the PA for New York to achieve the above objective, ICSC decided on the following guidelines to be followed by the Chairman: (a) PA increases in New York for a given year should normally take effect on or after the date of the increase in US federal civil service salaries; (b) they should normally take place either on the date of the increase in US federal civil service salaries or on the date when the revised PA class became due in New York as part of the normal operation of the PA system, it being understood that in either case the resulting margin would remain between 114 and 116; (c) if, as a result of the implementation of an increase in New York on one of the dates mentioned in (b) above, the margin was lower than 114 or higher than 116, an alternative implementation date for a PA increase in New York would be selected so as to ensure that the resulting margin would be as close to 115 as possible *[A/43/30, para. 23]*.

ICSC would report on its continuous monitoring of all factors relating to the net remuneration margin and the resulting level of the margin to the GA each year *[A/43/30, para. 24]*.

By **resolution 43/226**, the GA: (a) took note of the guidelines to be followed for maintaining the net remuneration margin around the desirable mid-point of 115 over a period of time, as contained in the ICSC report *(A/43/30. para. 23);* (b) decided that the resulting margin related to the average of the successive margins reported to the GA beginning with the margin period 1 October 1985 to 30 September 1986 and continuing until the submission of the report on the margin methodology requested by the GA for presentation to its 45th session; (c) decided as an interim measure and until the 45th session of the GA, that the application of the above guidelines should not result in the granting of successive classes of PA in New York at less than 4-month intervals.

Also in this resolution, in providing guidelines for the conduct of the comprehensive review *(section 2.1.90)* in relation to the Noblemaire principle and the comparator, the GA requested ICSC to undertake a comparative study of the concept of the margin, including the way it was intended to compensate for expatriation.

1989 **29th session (March)**: ICSC noted that on the basis of PA 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 application of PA class 10 for New York, with effect from 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 *[A/46/30, vol. 1, para. 63]*.

ICSC was informed that there was an expectation among the organizations and staff that PA class 10 would be granted for New York from 1 May 1989, particularly in view of the implications of this for some other duty stations which had remained at frozen PA levels since 1985. It noted that the PA index for New York for January 1989, which would be used for the determination of PA classification for May 1989, was 158.9. In order to grant PA 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 PA indices of all duty stations by the same percentage, thereby defreezing some of the duty stations where PAs 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 *[A/46/30, vol. 1, para. 65]*.

ICSC decided that in the interest of good personnel management practice and relations with staff it was both desirable and appropriate to grant PA class 10 for New York with effect from 1 May 1989. It was also of the view that in granting PA class 11 for New York in 1990, due regard would be paid to the GA's decision that the cumulative margin be maintained around the desirable mid-point of 115 *[A/44/30, vol. I, paras. 64-67]*.

30th session (August): ICSC took note of the procedures applied in netting down US federal civil service salaries before comparison with UN 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 *[A/44/30, vol. 1, para. 71]*.

Bearing in mind the views of the GA and the fact that the net remuneration margin and all aspects relating thereto represented an important element of the conditions of service for staff in the P and higher categories, ICSC agreed that all aspects of the margin, including the calculation methodology, should be addressed as part of the comprehensive review. The Working Group on the Comprehensive Review reviewed the following aspects: (a) concept of the margin; (b) type of comparison (net remuneration versus total compensation); (c) comparison methodology; (d) measurement and management of the remuneration system *[A/44/30, vol. II, paras. 129 and 130]*.

(a) Concept of the margin.

In response to the GA's specific reference to the treatment of expatriation within the margin, ICSC re-examined whether that element could better be treated in some other way, either: (i) by separating out expatriation from the margin and paying it by means of an expatriation allowance; or (ii) by establishing degrees of expatriation in the margin. In the context of the discussion it was noted that, among international staff, there was a small minority (some 10 per cent of staff) who worked at any one time in their country of origin. It had been argued that the inclusion of an element of expatriation in the margin overcompensated such staff. It had also been argued that it might be more appropriate to differentiate compensation for expatriation depending on length of stay in one location rather than maintaining a uniform expatriation factor in the margin.

ICSC also addressed the question of whether the expatriate factor in the margin should continue to be paid to all staff, including those who were not expatriate at a given point in time. It noted that the suggestion had been made on several occasions that the expatriate element of the margin should be discontinued for non-expatriate staff; alternatively, the expatriate element could be dispensed with altogether and replaced by an expatriation allowance. It recalled that an expatriation allowance had been payable between 1947 and 1951, when it had been replaced by a lump-sum repatriation grant designed to compensate staff for the extraordinary expenses incurred in connection with re-establishment in the home country. The reintroduction of an expatriation allowance had been considered on several subsequent occasions (for example, by the 1956 Special Review Committee and 1972 Review Committee), but those reviews had concluded that, in addressing situations that were seen as anomalous, an expatriation allowance would, in turn, create other anomalies. It was also recalled that an expatriation element had already existed in the margin prior to the introduction of the expatriation allowance *[A/44/30, vol. II, paras. 149 and 152]*.

The general view in ICSC was that the main objections to the establishment of an expatriation allowance remained issues of principle, having to do with the nature of the international civil service and the principles on which its remuneration was based. All P and higher category staff were potentially subject to expatriation under the terms of their employment; and in fact at any given time, approximately 90 per cent of them were serving outside their home country. At issue therefore was the treatment of some 10 per cent of staff who were themselves not a constant population, that is, they might, a year earlier, have been serving outside their country, or conversely, might receive an overseas posting a year later. Of that 10 per cent of non-expatriate P staff the largest concentration was in New York. Reducing the salaries of that group would create a flaw in the application of the Noblemaire principle, since staff from the country with the highest-paid national civil service would receive a lower salary than their colleagues from other countries working alongside them. Bearing in mind the above considerations, ICSC agreed that the possibility of establishing an expatriation allowance should not be pursued further and the current concept of the margin should remain unchanged *[A/44/30, vol. II, paras. 153 and 154]*.

(b) **Type of comparison (net remuneration versus total compensation**)

ICSC recalled that comparisons with the comparator had been made annually on the basis of both net remuneration and total compensation using non-expatriate benefits. All recent GA decisions with regard to the margin had been made in the context of net remuneration. At the same time, the GA had requested ICSC, on a number of occasions, to develop a methodology for the comparison of total compensation or total entitlements *(see also section 2.1.50)*.

The majority of ICSC considered that, in the framework of an overall system for the measurement and management of the remuneration system, the two approaches could be seen as mutually complementary. Net remuneration comparisons could be used for ongoing measurements between the United Nations and the comparator, while total compensation comparisons could be applied in periodic checks for competitiveness *[A/44/30, vol. II, paras. 155 and 157]*.

(c) Net remuneration margin methodology

ICSC recalled that, in resolution 42/221 (1987), the GA had requested it to maintain the then existing margin methodology for the time being, but to study the methodology further and to report thereon in 1990. ICSC concluded that the review should be brought forward under the comprehensive review. It considered the following aspects:

(i) Place at which US/UN comparisons should be made: Washington or New York. ICSC recalled that it had been agreed in 1986 that salary levels at the base of each system, namely New York for the UN and Washington for the US federal civil service, should continue to be compared, with due account being taken of the difference in the cost of living between the two cities (the "cost-of-living differential"). In reviewing the possible retention of that procedure, ICSC noted that theoretically, four possible options could be envisaged as the basis for comparing salaries for purposes of computing the net remuneration margin. They were:

1. United Nations: New York versus With a cost-of-living differential United States: Washington
2. United Nations: New York versus Without a cost-of-living differential United States: Washington
3. United Nations: Washington versus Without a cost-of-living differential United States: Washington
4. United Nations: New York versus Without a cost-of-living differential United States: New York

ICSC agreed that, if option 2 were pursued, the margin range would need to be redefined accordingly, since the existing margin range was established taking into account the cost-of-living differential. That being so, the net result of the various options would be the same. ICSC expressed the view that it was only at the respective bases of the two systems that sizeable numbers of comparable jobs could be found. It therefore concluded that the comparison could be made for the US in Washington and the UN in New York, either: (a) with a cost-of-living differential factor (option 1); or (b) without a cost-of-living differential but with a consequent redefinition of the margin range (option 2). With regard to options 3 and 4, ICSC considered that basing the comparison on a limited number of comparison points (equivalent jobs/grades and related salary levels) on either the US side (in the case of New York) or the UN side (in the case of Washington) would add a degree of instability to the comparison that should be avoided *[A/44/30, vol. II, paras. 159 and 160]*.

(ii) Margin reference period. ICSC had earlier expressed the view that it would be more appropriate to use the calendar year instead of the comparator's fiscal year for the margin reporting period. Since the comparator now granted its annual pay adjustments at the start of the calendar year (1 January), the use of the calendar year would facilitate the calculation of US federal civil service salaries for the 12-month reporting period. In that context ICSC also reviewed the cumulative margin period recently imposed by the GA. It noted that both the cumulative margin period and the restriction on the granting of successive classes of PA in New York at less than 4-month intervals were interim measures that the GA planned to review. ICSC could not find technical arguments for the continuation of those measures *[A/44/30, vol. II, para. 161]*.

(iii) Use of average salaries versus step I salaries. ICSC recalled that in 1986 it had recommended to the GA the use of average salaries instead of step I salaries. It noted that the use of step I rates continued to have a number of disadvantages. The use of average salaries had the advantage of permitting the inclusion of a number of pay systems and relevant emoluments, while reflecting the relative significance of the systems and emoluments in the comparator. ICSC therefore endorsed its earlier recommendation to use average salaries *[A/44/30, vol. II, paras. 162 and 163]*.

(iv) Bonuses and performance awards. ICSC had decided in 1986 to exclude those bonuses and performance awards which were not included by the US Government in base salary, from future net remuneration comparisons. That decision meant that bonuses and performance awards that had previously been included with regard to the SES would no longer be included. With regard to the merit pay system, which had been proposed for inclusion in the comparison, a part of the merit awards would be included and a part would not, based on the US Government's definition of base salary. ICSC

had also decided to include 100 per cent of the bonuses paid to doctors under three different US pay systems, recognizing that in many instances bonuses for that occupational group were a significant part of total net remuneration.

In reviewing this decision, ICSC noted that the bonuses and performance awards granted by the US Government were, in all instances, taxable and in some instances pensionable. None of the bonuses and performance awards being recommended for exclusion was pensionable. In addition, even though for some groups of US staff, such as those in the SES and the merit pay system, awards in any given year applied to less than 50 per cent of staff, it was likely that over a number of years more than 50 per cent of staff would receive such awards. In the view of some ICSC members, a rationale continued to exist for the inclusion of bonuses and performance awards, in their entirety, in the comparison process. Others noted that the same considerations that applied now had applied in 1986 when ICSC had taken its decision on that item *[A/44/30, vol. II, paras. 164 and 165]*.

(v) Treatment of taxes. Following a detailed review of the procedure used for calculating the net salaries of US federal civil service employees in Washington, ICSC concluded that, in the interest of greater precision in the margin measurement methodology and on the basis of a further analysis of the issue and additional data provided by the US/IRS, the tax calculation procedure reported to the GA in 1985 (i.e., use of Washington, D.C. area tax statistics) should be maintained *[A/44/30, vol. II, para. 166]*.

(vi)

Average Washington/New York cost-of-living differential. In the interest of introducing greater stability in the net remuneration margin, the use of a 12-month average of the Washington/New York cost-of-living differential was considered instead of the spot measurement currently taken. ICSC recalled that it had earlier confirmed the desirability of using instead an average calculated over 12 months, but had taken no action on the matter, pending completion of the review of the margin methodology called for by the GA *[A/44/30, vol. II, para. 167]*.

(d) Management of the margin

ICSC considered the procedures that should be used to monitor and regulate salary levels over time. It recalled that, before 1985, increases in total net salary had been generated by cost-of-living movements reflected in a revised PAC. The margin had been determined pragmatically. It was only when, as a result of internal policy considerations, the comparator began to lag significantly behind the UN system that the GA had decided that a limit to the margin should be established. The range (110 to 120, with a desirable mid-point of 115) had been determined by reference to the average margin figures over the period October 1976 to September 1984. The rigid margin control mechanism currently in place had the effect of further disrupting the normal operation of the PA at the base of the system. ICSC noted that, from a conceptual point of view, it was anomalous to control overall remuneration levels through manipulation of the cost-of-living mechanism. At the same time, it did not consider it realistic to allow the system to operate completely unchecked in the future. It therefore agreed that, as a general principle, the basis for management and control of the system in the future should be an approach between the two extremes of a non-defined margin range and a narrow margin range, that is, a range within which the margin level would be allowed to float, without being constrained to remain constantly at or near the mid-point. That margin range would allow for a reasonable cost-of-living movement, while ensuring some overall control through the application of margin considerations at a certain point. One member did not agree with the proposal for a flexible operation of the margin within the range. He was of the view that the margin should be maintained at or near the desirable mid-point approved by the GA *[A/44/30, vol. II, paras. 169 and 170]*.

ICSC made a number of recommendations to the GA, as follows: (a) the current concept of the margin should continue to apply to all staff in the P and higher categories. The existing margin range of 110 to 120 should continue to apply; (b) the margin should be allowed to fluctuate freely within the range. If it became evident that the margin would drop below the lower limit, ICSC would make a recommendation to the GA for an across-the-board salary increase. On the other hand, if it became evident that the margin would exceed the top of the range, a freeze on emoluments would be applied until the margin was brought within the approved range; (c) the cumulative margin procedure and the 4-month waiting period between the granting of successive classes of PA for New York approved by the GA at its 43rd session should be discontinued; (d) in order to calculate the net remuneration margin: (i) comparisons should continue to be based on the net remuneration of UN officials in grades P-1 through D-2 in New York and that of their counterparts in the comparator civil service in Washington; (ii) the COL differential between New York and Washington, based on the PAIs for the two cities, should continue to be taken into account. A **12-month average of the amount of the New York/Washington COL differential** should be applied in margin calculations, rather than the spot measurement currently taken; (iii) the **margin reference period should be changed to the calendar year (1 January to 31 December)** of each year; (iv) average salaries at each grade should be used on both sides of the comparison; (v) bonuses and performance awards that were not considered by the US Government to be included in base salary should be excluded from these comparisons; and (vi) the tax calculation procedure reported to the GA at its 40th session should continue to apply *[A/44/30, vol II, para. 172]*.

By **resolution 44/198**, the GA confirmed that the current concept of the margin and the current margin range should continue to apply. It endorsed the methodological approach recommended by ICSC for the calculation of the net remuneration margin, and requested ICSC to continue to report this margin on an annual basis. The GA also requested ICSC to monitor the annual net remuneration over the five-year period beginning in 1990 with a view to ensuring, to the extent possible, that by the end of that period the average of the annual successive margins was around the desirable mid-point of 115 and to report on the experience gained to the GA at its 49th session. In the meantime, ICSC was requested to present an interim report on the margin for the period 1990-1991 to the GA at its 47th session.

1990 **30th session (July/August):** ICSC noted that the margin for the calendar year 1990 was estimated at 117.4 *[A/45/30, paras. 173 and annex XII]*. It reviewed the various developments which would have led to an increase of some 14.5 per cent in the remuneration of P and higher category staff in New York over the period 1 January to 31 December 1990 *[A/45/30, paras. 179-182]*.

Over the same period, the increase for US federal civil service (USFCS) employees in Washington was 3.6 per cent (The respective figures for 1989 were 9.0 and 4.1 per cent). ICSC was of the view that while the movements of remuneration for UN staff in 1989 and 1990 relative to those for their counterparts in the USFCS were justifiable in terms of margin management, they could nonetheless result in some difficulties in the context of the margin in the near future *[A/45/30, para. 182]*.

ICSC also noted that a 4.1 per cent across-the-board increase in salaries was anticipated for USFCS employees; furthermore, on average a 22 per cent increase in salaries was expected to be granted to the Senior Executive Service of the comparator civil service. Assuming that the PAC reached in New York towards the end of 1990 was maintained throughout 1991 and that the cost-of-living differential remained unchanged, the margin for 1991 could reach a level around 120. This very preliminary estimate could be influenced by several factors *[A/45/30, para. 183]*.

ICSC recalled that it had recommended to the GA that the margin should be allowed to fluctuate freely within the range and that the cumulative margin procedure approved by the GA at its 43rd session should be discontinued. However, the GA in resolution 44/198 had requested ICSC to monitor the

annual net remuneration margin over the 5-year period beginning 1990 with a view to ensuring, to the extent possible, that by the end of that period the average of the successive annual margins was around the desirable mid-point of 115. Bearing in mind the projected margins for 1990 and 1991, it was apparent that the 5-year averaging arrangement would require the maintenance of the average margin at around 112.5 in the remaining 3 years (1992-1994). This could be achieved only if the remuneration in New York were to remain frozen for the next 3 years *[A/45/30, paras. 184 and 185]*.

The continued lag of the comparator's salaries *vis-à-vis* CPI movements was viewed by ICSC as establishing long-term disparities in the comparison process. In this regard, ICSC noted US salary movements had diverged considerably from CPI movements *[A/45/30, annex XIII]*.

ICSC considered that the requirement that the margin be maintained around the mid-point of the range on an average basis was unrealistic, particularly at a time when the USFCS was some 30 per cent behind its own comparator and was proposing legislation to restructure its remuneration system in recognition of significant deficiencies *[A/45/30, para. 186]*.

Freezing the remuneration in New York over extended periods of time would have undesirable consequences not only in New York but also other duty stations, some of which had not yet received a normal PA increase as a result of the freeze imposed in 1984. The GA requirement that the average margin be maintained around the mid-point of the range would have precisely that impact. However, if the margin were allowed to fluctuate freely within the range, while it may still become necessary to freeze the remuneration in New York, and consequently at other duty stations, to ensure that it did not go beyond the upper limit of the range, such a freeze would be of a short duration and, therefore, less disruptive *[A/45/30, para. 187]*.

ICSC decided: (a) to report a net remuneration margin of 117.4 for the year 1990 to the GA; (b) to inform the GA that the net remuneration margin for 1991, based on current predictions, could be around 120; (c) to monitor the level of the net remuneration margin and consider the calculation for 1991 once all relevant information was available at its 34th session; (d) to request the GA to reconsider its request to ICSC to manage the margin over a 5-year period so that the average margin would be around the mid-point of the range; (e) to monitor the net remuneration margin closely and report thereon to the GA so as to keep the GA abreast of all developments in this regard *[A/45/30, para. 188]*.

3rd special session (November): ICSC was informed that ACC had decided that ICSC should be requested urgently to devise a way of ensuring that purchasing power was maintained across the common system and, in the meantime, to ensure that the PA system operated smoothly through the coming year in accordance with the normal movement of the cost of living at the base of the system. In view of that request, ICSC examined updated information concerning the evolution of the PAI, the anticipated date of application of the next class of PA for New York and its impact on the estimated level of the margin *[addendum to A/45/30, para. 2]*. ICSC decided: (a) to report the revised level of the net remuneration margin of 116.8 for the calendar year 1990 to the GA; (b) to inform the GA that, based on current predictions, there was a possibility that the net remuneration margin for the calendar year 1991 could exceed 120; (c) to reiterate its earlier request to the GA to reconsider its request to ICSC to manage the margin over a five-year period so that the average margin would be around the mid-point of the range; (d) in view of the developments regarding the level of the margin, to address the issue of the freeze methodology as a priority issue at its March 1991 session and to submit a report thereon to the GA at its 46th session.

ICSC was also informed by its secretariat of the recent developments regarding the pay system for the US federal civil service as stated in the Federal Employees Pay Comparability Act (FEPCA) of 1990. Along with the preliminary estimates of the evolution of the margin and the resulting impact on the

operation of the PA system, ICSC also decided to present to the GA the following details of the Act. Under this legislation, the process of overhauling the uniformity in the current General Schedule would commence. The current system would be replaced by one in which a portion of workers' annual raise would be linked to local labour markets. For 1992 and 1993, employees would be guaranteed up to a 5 per cent annual raise based on the employment cost index (ECI), which measured the changes in private local labour market salaries and wages. Should the ECI exceed 5 per cent, the President could decide whether to grant workers a higher increase. Under those provisions of the Act, a 4.2 per cent increase in salaries was likely to be granted to federal civil service employees from 1 January 1992. In accordance with the Act, locality adjustments would begin in 1994 and annual raises equal to the ECI up to 5 per cent minus 0.5 per cent were guaranteed. Additionally, workers in high-cost cities would receive an adjustment based on the locality. That adjustment would amount to 20 per cent of the total federal-private pay gap in 1991 and would be applied only in areas where the gap was at least 5 per cent. Beginning in 1995 and every year thereafter, the remaining gap between federal and non-federal wages would be narrowed at the rate of 10 per cent of the gap. If the FEPCA provisions were implemented fully, a significant impact on US federal civil service salaries for employees in Washington, D.C. could be expected in 1994. This in turn could reduce the UN/US net remuneration margin *[addendum to A/45/30, paras. 9 and 10]*.

By **resolution 45/241**, the GA, recalling the provisions of resolutions 40/224 and 44/198 relating to margin management, and noting the above recommendations of ICSC, as well as the possibility of a freeze in PA in 1991 for duty stations throughout the UN common system, as mentioned in the statement by ACC: requested ICSC to continue to monitor the evolution of the margin and the impact of the potential changes in the UN federal civil service pay levels, as a result of the implementation of the 1990 Federal Employees' Pay Comparability Act (FEPCA), and to submit recommendations to the GA at its 46th session, with a view to avoiding a prolonged freeze of PA within the 5-year period from the calendar year 1990.

1991 **33rd session (March) and 34th session (August)**: ICSC assessed the probable effect of FEPCA, the essential aspects of which it had reported on in its 1990 annual report *(see also A/46/30, vol. I, annex III for information on FEPCA)*. While salary surveys, which would indicate the size of the pay disparity in the Washington, D.C. area, had not yet been conducted, the US General Accounting Office had estimated a disparity of some 20 per cent. Thus, ICSC believed that it was reasonable to anticipate that salary increases for US civil servants stationed in Washington, D.C. would outpace inflation in New York for at least a reasonable period of time. As the remuneration of UN officials in New York would move on an average basis with inflation, it might be concluded that the increases in salaries for US federal civil service employees in Washington, D.C. would outpace the PA increases for UN officials in New York. This, in turn, would result in a gradual systematic decrease in the level of the margin beginning with 1994. It was estimated that with the full implementation of FEPCA, the margin could reach a level around the desirable midpoint of 115 in 1994 and could be further reduced to a level around 110 by the year 1996 *[A/46/30, vol. I, para. 103]*.

In view of these anticipated developments, ICSC questioned whether it made sense to adhere to rigid margin management for the years 1992 and 1993. It identified two alternative approaches to the current margin management procedures, on the assumption of an annual increase of 7 per cent in the PA for New York for the years 1992 and 1993: **(a) suspension of automatic freezes:** the current procedure whereby the PA in New York was automatically frozen if the granting of a PA increase meant breaching the upper limit of the margin range would be suspended. Increases in remuneration in New York would continue to be granted for the years 1992 and 1993 even if the resulting margin levels were to go beyond the upper limit of the margin range. **(b) partial PA increases:** less than the full increase warranted by the movement of the PA index for New York would be granted, it being

understood that the resulting margin would still remain within the range approved by the GA *[A/46/30, vol. I, para. 109]*.

ICSC concluded that the solution which would result in the least disruption of the system, while remaining within margin limits, would be to manage the PA system on the basis of partial PA increases, until the full impact of the locality pay provision of FEPCA became known in 1994 *[A/46/30, vol. I, para. 114]*.

ICSC decided to: (a) inform the GA of the net remuneration margin of 118.9 for 1991 and the anticipated effects of FEPCA on the margin; (b) recommend that the GA rescind its earlier decision requiring it to manage the margin over a five-year period so that the average margin would be around the mid-point of the range; (c) endorse the procedure outlined above for managing the PA system within the current margin range as a transitional measure until the implementation of the locality pay provisions of FEPCA in 1994 *[A/46/30, vol. I, para. 116]*.

By **resolution 46/191**, the GA decided, without prejudice to previous decisions on the averaging of the margin around the mid-point over a five-year period, that any PA increase in New York which might become due until 1994 might be implemented to the extent that it was compatible with the upper limit of the margin. It requested ICSC to continue to monitor further implementation of the comparator's FEPCA, including the impact of its locality pay provisions in 1994, and to report thereon at its 49th session, in order to enable the GA to address the issue of the average margin over a five-year period around the desirable mid-point of 115. The GA endorsed the procedures for the management of the PA system within the current margin range, using partial PA increases, as proposed by ICSC.

1992 **35th session (March) and 36th session (August)**: ICSC decided to report to the GA that: (a) the net remuneration margin for 1992 was 117.6; (b) the average margin for the period 19901992 was 117.8; (c) in view of the above, no action was necessary at the current stage in the management of the margin over the five-year period 1990-1994 *[A/47/30, para. 108 and annex V]*.

ICSC reviewed details on the remuneration practices of new or revised pay systems in 11 US Government agencies *(see also section 2.1.30).* It noted that 9 of the 11 agencies proposed for inclusion in the context of margin calculations had been included in this exercise as a result of the 1985/1986 grade equivalency study. The question of whether they should continue to be included in margin calculations had arisen as a result of significant changes in job classification systems and salary-setting processes introduced in the meantime in those systems *[A/47/30, paras. 145 and 149]*.

ICSC decided that it was not imperative to include the proposed pay systems in the net remuneration comparison process at the present time. It also decided to maintain its decision on the exclusion of the comparator's bonuses and performance awards from the comparison *[A/47/30, para. 153]*.

By **resolution 47/216**, the GA requested ICSC to take into account the views expressed by Member States on the completion of the study of the methodology for determining the cost-of-living differential between New York and Washington, D.C. in the context of net remuneration margin calculations, and to submit a report on the application of the methodology.

1993 **37th session (March)**: ICSC noted that the forecast net remuneration margin for the calendar year 1993 was either 119.1 on the basis of the existing cost-of-living differential methodology or 114.2 using the revised methodology *(details of the development of this methodology are reflected in section 2.1.70)*. It decided to review the margin situation at its 38th session on the basis of the views of ACPAQ concerning the technical aspects of the revised cost-of-living differential methodology and information to be provided at that time on the status of FEPCA *[ICSC/37/R.18, para. 23]*.

38th session (July): ICSC noted that the application of the regular margin calculation methodology recommended by ICSC in its annual report for 1989 *(A/44/30)* and endorsed by the GA in resolution 44/198 (1989), together with the revised New York/Washington cost-of-living differential methodology, resulted in a margin for the calendar year 1993 of 114.2 *[A/48/30, paras. 108 and 113]*.

In **resolution 48/224**, the GA: (a) took note of the ICSC decisions with regard to the new methodology for determining the cost-of-living differential between New York and Washington, D.C.; (b) noted the net remuneration margin of 114.2 for the calendar year 1993; (c) also noted that the UN/US remuneration ratios ranged from 186.0 at the P-1 level to 116.5 at the D-2 level. It considered that this imbalance should be addressed in the context of overall margin considerations established by the GA and reiterated its request to ICSC to make proposals in this regard to it at its 49th session.

1994 **39th session (February/March)**: ICSC took note of the forecast net remuneration of 113.9 for the period 1 January to 31 December 1994. It also addressed proposals by CCISUA for the elimination of square root weighting and regression analysis in margin calculations. ICSC noted that the question of whether to use regression depended on the statistical technique to be used. While the impact either way was negligible in terms of the overall margin, the use of regression introduced a complication and resulted in distorting salary ratios at individual grades. The use of unregressed salaries would address, at least in part, the GA concerns in that regard. An additional reason for discontinuing the use of regression analysis in the common system was that, under FEPCA legislation, the comparator was no longer using it.

ICSC recalled that it had decided to use square root weights in margin calculations in order to reduce the dominance of any particular occupational group. It noted the rather minimal impact of square root weighting on overall margin results, and the need for consistency in the calculation process. On the basis of the above considerations, ICSC decided to report to the GA that the margin methodology would be revised so as to eliminate the use of regression and square root weighting in future margin calculations *[ICSC/39/R.10, paras. 49-52]*.

39th session (February/March) and 40th session (June/July): In the context of its review of the application of the Noblemaire principle *(see also section 2.1.10)*, ICSC took up a number of issues of relevance to the net remuneration margin, as reflected below:

(a) **Developments pertaining to FEPCA**. The future impact of the implementation of FEPCA on margin management and the 5-year average margin were examined under a number of different scenarios. ICSC decided to report to the GA that: (i) a number of FEPCA provisions were relevant for net remuneration margin comparisons and had been incorporated into the comparison; (ii) FEPCA had established a number of new pay systems that ICSC intended to review at the time of the 1995 US/UN grade equivalency study; (iii) a number of FEPCA provisions were gradually being implemented within the US federal civil service and ICSC intended to monitor their application for possible relevance to the UN common system; (iv) employment cost index (ECI) and locality-pay increases under FEPCA would, if continued over the 9-year period 1994-2002, result in a need to adjust UN salaries if the US were retained as the comparator and if the margin range were to be respected *[A/49/30, paras. 71-79]*.

ICSC noted that FEPCA was designed to reduce the pay gap with the US non-federal sector by the year 2002. The comparator's implementation of the locality pay provisions of FEPCA in 1994 demonstrated an initial willingness to begin closing that gap; however, FEPCA had not been fully implemented in 1994. It appeared that the full implementation of FEPCA, as legislated, would not be possible due to budgetary/political considerations of the comparator *[A/49/30, paras. 67 and 68]*.

ICSC considered a proposal by CCAQ for basing UN salaries on the pay rates envisioned by FEPCA rather than the actual raises granted the US federal civil service. It also examined a number of scenarios that projected common system remuneration over the next several years in a manner designed to maintain the level of the margin above the bottom of the margin range (110) and near the desirable mid-point of 115. It noted that all of the scenarios were based on the assumption that, under FEPCA, salary movements would be greater than inflation in order to meet the stated objective of closing the salary gap by the year 2002. In the first year of the gap-closing measures the comparator had slipped behind the stated objective. Therefore, it did not seem that any of the scenarios were currently relevant because they did not reflect actual, or currently anticipated pay for the US federal civil service. ICSC noted that several of the scenarios presented were based on the assumed maintenance of a 5-year margin around 115 pursuant to GA resolution 46/191. However, the 5-year period of concern to the GA at that time had related to 1990-1994. It recalled in this regard that when the 5-year average margin was established, the annual margin was near the top of the margin range. Preliminary consideration was given to a rolling 5-year rule, i.e., updating the average every year by adding the most recent year and dropping the **1994** earliest year) along with the possibility of an arrangement similar to that used for 1990-1994 by adoption of a rule for 1995-1999. It was agreed to revert to the specifics of a margin of 115 for a fixed period, a rolling period or simply a margin range after further study at the spring 1995 session.

As 1994 was a personnel year based on the biennialization of the GA's work programme *(see section 1.1.40)*, ICSC expressed a desire to proceed with initial recommendations which the GA could address in 1994 while continuing study on items which required further work. Whatever initial measures ICSC decided to recommend, it considered that the long-term studies should be completed within a 2-year period. In examining a number of initial measures which could be recommended, it considered the possible incorporation of features of the 5-year average margin and the CCAQ proposal for a 4.5 per cent real salary increase *(see section 2.1.10)*. It noted that the CCAQ proposal would mean that the margin would rise above 115 in 1995 and would soon breach the upper end of the margin range, necessitating another salary freeze thereafter. ICSC had long expressed the view that it was an undesirable remuneration practice to grant significant salary increases followed by freezes. It considered that it would, however, be desirable to maintain the average margin around the mid-point of 115 over a 5-year period.

(b) **Reflection of the comparator's special pay systems in margin calculations**. ICSC examined information on 116 of the comparator's pay systems. It considered criteria that could be applied in determining which of those systems were relevant to net remuneration margin calculations. Some of these pay systems had previously been reviewed by ICSC. In particular, the special pay systems of 11 US government agencies that had been reviewed in 1992 were reviewed again in 1994: (i) Federal Deposit Insurance Corporation (FDIC); (ii) Federal Reserve Board (FRB); (iii) National Institute of Standards and Technology (NIST); (iv) Government Printing Office (GPO); (v) Farm Credit Administration (FCA); (vi) Office of the Thrift Supervision (OTS); (vii) Office of the Comptroller of the Currency (OCC); (viii) National Credit Union Administration (NCUA); (ix) Resolution Trust Corporation (RTC); (x) General Accounting Office (GAO); (xi) Federal Housing Finance Board (FHFB). Others had been more recently established, e.g., with the implementation of FEPCA. Under normal procedures, inclusion of these new FEPCA pay systems in net remuneration margin comparisons would be considered at the time of the next grade equivalency study. ICSC further examined how US federal civil service pay systems could be incorporated in the comparison process as related to: (i) the use of an averaging method; or (ii) the selection of the appropriate United States federal civil service pay system for each occupation included in the comparison *[A/49/30, paras. 79 and 80]*.

ICSC decided to examine this issue, noting that it had not, in prior reviews, substantively addressed the weighting procedure to be used. The current weighting procedure reflected a number of incremental changes which had evolved in response to the establishment of new or revised pay systems. It used the number of incumbents in each occupation of the relevant comparator pay system at each relevant grade. Since the GS represented the largest comparator pay system, special pay systems, representing relatively few staff, have been minimally reflected in margin comparisons. The secretariat informed ICSC that, as a result, incremental changes did not fully reflect the better paid comparator pay systems in the comparison process. ICSC examined the following alternative methods for incorporating the comparator's special pay systems in net remuneration margin measurements: (i) the selection of the highest paying system, by occupation, for comparison purposes; (ii) the use of an equal weighting method that would give the better paid comparator pay systems the same weight in the aggregation process as those not so well paid; (iii) the use of a logarithmic weighting method that would reduce the weights of the larger comparator pay systems (currently not the better pay systems) in the aggregation process.

ICSC was informed that the margin under the current methodology was 113.0. Selection of the "highest paying method" would reflect a margin of 98.4. Use of "equal weighting" would result in a margin of 109.7. Use of logarithmic weighting would produce a margin of 110.6 *[A/49/30, paras. 82-84]*.

ICSC noted that it had for a number of years included in margin calculations US federal civil service pay systems that departed from the General Schedule. Inclusion of such pay systems would continue to be necessary, as the US federal civil service evolved.

It considered the criteria that had been applied in the past in selecting comparator pay systems for margin calculations to be largely satisfactory. It might, however, be necessary to establish a specific number of United States federal civil service staff in professional occupations that should be in a pay system before it could be considered for inclusion in margin calculations.

ICSC examined the three approaches as well as the appropriateness of retaining the current approach (which provides for representation of some of these pay systems in the comparison process using the actual number of US federal civil service staff within each pay system at each relevant grade for all occupations determined to be comparable to each of the occupations used in the remuneration comparison process).

It decided that it would report to the GA that it had reviewed all relevant pay systems of the US federal civil service and had decided: (a) to reflect fully all relevant occupations of each of the comparator's special pay systems of the 11 US government agencies reflected above; (b) to continue to use as weights in the remuneration averaging process, the actual number of incumbents in each relevant occupation of each special pay system; (c) to keep under review further developments in the US federal civil service as they related to the establishment of new or revised pay systems and to review any new or revised pay systems at the time of the next grade equivalency study in 1995, for possible inclusion in UN/US net remuneration margin comparisons; (d) to apply the following criteria in reviewing US federal pay systems for inclusion in UN/US net remuneration comparisons consistent with its decision in (c) above: (i) whether the pay system employed staff in a professional category; (ii) whether those professional staff were located in Washington, D.C.; (iii) whether the professional staff located in Washington were in occupations of relevance to the comparison process; (iv) whether there were sufficient numbers of US federal civil service staff in the professional category in the relevant

jobs to make a comparison worthwhile; (v) whether the pay system had a structured approach to job classification and pay-setting *[A/49/30, paras. 92-105]*.

The GA, in **resolution 49/223**, took note of the ICSC conclusions in respect of the further refinements to margin calculations.

1995 **41st session (May)**: In documentation prepared by the secretariat *(ICSC/41/R.5/Add.2 and appendix)* it was suggested that, with the inclusion of additional pay systems in the current grade equivalency exercise, ICSC would need to re-examine in further detail options for reflecting special pay systems in margin calculations. ICSC considered that it should first address whether as a matter of principle, it considered it appropriate to take steps to reduce dominance in margin comparisons. Once the matter had been resolved at that level, the specific technique for achieving that objective could be examined. In addressing the matter of principle, ICSC recalled the GA's request, in resolution 47/216, that it examine all aspects of the application of the Noblemaire principle, with a view to ensuring the competitiveness of the UN common system. Under the current averaging procedure, the dominant effect of the General Schedule -- the lowest-paid pay system of the comparator -- was not being mitigated.

It seemed difficult to reconcile this situation with the GA mandate and the objectives of the Noblemaire principle. ICSC further noted that among the considerations that had led to the use of the current weighting procedure was that, under FEPCA, which was designed to bring the comparator's salary levels into closer alignment with its own comparators, the comparator's need for special pay systems had been expected to decrease. With the effective non-implementation of FEPCA, that was becoming increasingly unlikely. A further consideration related to the difficulty experienced with respect to the possible use of special occupational rates on the UN side. ICSC had provided for the use of such special occupational rates in principle; however, it had subsequently become apparent that the organizations' proposal for the use of such rates would be tantamount to special agency rates. ICSC had seen such special agency rates as incompatible with the common system. Under the circumstances, it became particularly important to reflect adequately all relevant special pay systems in the margin calculation process. Taking the above factors into consideration, ICSC decided that it would be appropriate to take steps to reduce dominance in margin calculations. Having reached a position of principle on reduction of dominance, ICSC considered the means by which that could be achieved. The three options that had previously been presented to it in that regard were: (a) use of the highest paying system by occupation; (b) use of equal weighting; and (c) use of logarithmic weighting. ICSC considered that it was not essential to choose a specific dominance-reduction technique at the current session. It requested its secretariat to examine appropriate technical options in that regard and to provide it with technical options at its 42nd session *[ICSC/41/R.19, paras. 148-153, 163]*.

Bonuses, performance and merit awards: ICSC considered this issue on the basis of a paper presented by CCISUA *(ICSC/41/R.5/Add.5)*. It also reviewed additional information *(ICSC/41/CRP.10)* with regard to the bonuses and performance awards specifically granted to the SES. It noted that bonuses and performance awards had been included in UN/US remuneration comparisons until 1990, when the results of the 1985/86 grade equivalency study were implemented. Although views were somewhat diverse, ICSC as a whole agreed on balance that it would be appropriate to reflect bonuses and performance awards subject to the conditions specified below. It was agreed that if and when performance awards were introduced in the common system, they would be factored into the calculations *[ICSC/41/R.19, para. 159]*.

Assistant Secretary-General/Under-Secretary-General levels: ICSC noted that the current grade equivalency study, like the 1990/91 exercise, did not include approximate working equivalents for the ASG/USG levels. It reviewed information on the prior consideration of the matter which highlighted

the difficulty of establishing direct equivalencies between the common system and the comparator's civil service at those levels. ICSC noted that in the secretariat's view, it would be no less difficult to establish such specific grade equivalencies at the present time. The inclusion or exclusion of approximate working equivalents at those levels would have no impact on the level of the margin and would become significant only if salaries at the senior levels were to be examined separately from those at other levels. ICSC noted that the grade equivalency study was not fully complete inasmuch as updated information on two special pay systems might be forthcoming: moreover, the final phase of the grade equivalency process -- the validation exercise -- had yet to be carried out. It was satisfied, however, that the results presented to it thus far had been arrived at in a technically sound manner and in accordance with the process ICSC itself had established. It therefore endorsed the equivalencies for remuneration comparison purposes, subject to any adjustment arising from the validation exercise and from the updated US agency information *[ICSC/41/R.19, paras. 160-161]*.

ICSC decided: (a) to include SES salaries in remuneration comparisons on the basis of pay levels determined by the established grade equivalencies; (b) to exclude comparator GS-7 positions from future remuneration comparisons; (c) to include the SL and ST pay systems of the comparator in remuneration comparisons; (d) to include bonuses and performance awards granted to US and UN common system staff, except for those granted to eligible SES staff as meritorious and distinguished awards and comparable awards on the UN side; (e) to endorse, for remuneration comparison purposes, the grade equivalencies for the comparator, subject to any adjustment arising from the validation exercise and from updated information from those US Government agencies that had not yet been able to provide complete information; (f) to note the exclusion of the ASG/USG levels from the current grade equivalency study; and (g) to request the secretariat to provide the following to ICSC at its 42nd session: (i) updated grade equivalencies with regard to 2 of the 11 US Government agencies that had not yet been able to provide complete information; and (ii) details and results of the validation exercise *[ICSC/41/R.19, para. 162 and annex VI]*.

42nd session (July/August): ICSC reverted to the issue of the weighting procedure to be used in margin calculations. Having agreed in principle at its 41st session that it would be appropriate to take steps to reduce dominance in those calculations (see above), it reviewed an analysis by its secretariat *(ICSC/42/R.8)* of 4 possible alternatives to the current straight weighting procedures: the log weight method; equal weights; the 75th percentile method; and the best paid system. ICSC considered that in selecting the most appropriate weighting procedure, it should review those options against the following criteria: responsiveness to the competitiveness requirements of the Noblemaire principle; stability over time, transparency, and feasibility of application. It was noted that each of the options carried advantages and drawbacks. The log weight method, while providing relatively competitive results, yielded pay levels still substantially lower than the best paid systems; it also lacked transparency. The equal weight system was readily understandable, as it used the simple average of all pay systems. It might, on the other hand, be considered by some as giving insufficient importance to the large pay systems. The 75th percentile method was comparable to that already approved by ICSC for use in GS salary survey calculations: it also provided results that compared favourably with the better paying systems without actually being the absolute best. On the minus side, it required vast amounts of detailed data that were not always available for all pay systems; its application would therefore have to be restricted in terms of pay systems covered. The best paid system approach provided a fully competitive remuneration level, but could not be considered representative of the federal civil service as a whole *[A/50/30, paras. 115-116]*.

ICSC as a whole concluded that the use of the equal weights procedure would be an appropriate method of reflecting the comparator's pay systems in margin calculations, and thereby reducing the

dominance of the General Schedule. It noted that the effect of applying that procedure would be to reduce the margin by approximately four percentage points *[A/50/30, para. 118]*.

ICSC decided to report to the GA that it had decided as follows in respect of the remuneration comparisons resulting from the 1995-96 grade equivalency study with the comparator *(see section 2.1.30)*: (a) to include SES in remuneration comparisons on the basis of pay levels determined by the established grade equivalencies; (b) to include bonuses and performance awards granted to US and UN common system staff (except for those granted to eligible SES staff as meritorious and distinguished awards) and all comparable awards on the UN side; (c) in order to reflect adequately all the comparator's relevant pay systems in remuneration comparisons, to reduce the dominance of the US federal civil service General Schedule in the current net remuneration margin comparison process using an equal weighting method applied to US federal civil service pay systems on an occupation-by-occupation basis *[A/50/30, para. 119 (b)]*.

Evolution of the margin between the net remuneration of the United States federal civil service and that of the United Nations: ICSC noted that the margin for 1995 stood at 105.7, taking into account: (a) the 1995 grade equivalency results; (b) a revised New York/Washington differential; (c) the various methodological decisions it had taken, including the revised weighting procedure; and (d) a newly estimated post adjustment classification for New York in November 1995. It decided to report that net remuneration margin to the GA *[A/50/30, paras. 120-121 and annex IV]*.

In **resolution 50/208**, the GA decided to defer consideration of Chapter III A of the ICSC report (examination of the Noblemaire principle and its application) to its resumed 50th session and requested ICSC to review its recommendations and conclusions, taking into account the views expressed by Member States (in particular regarding the appropriateness of reduction of dominance and the treatment of bonuses in determining net remuneration comparisons) so as to assist in that consideration, and to adjust its programme of work accordingly.

1996 **43rd session (April/May)**: **Specific aspects of net remuneration margin calculation methodology:** ICSC re-examined in detail the two elements to which the GA, in resolution 50/208, had drawn its particular attention: (a) equal weighting approach; (b) treatment of bonuses and performance awards. It decided to report to the GA that it had carefully reviewed the issues raised by the GA regarding: (a) the reduction of dominance in margin comparisons through the use of the equal weighting method; (b) the inclusion in those comparisons of all bonuses and performance awards of the various pay systems except the distinguished and meritorious awards granted to SES. It had decided to reaffirm both these decisions, which had been arrived at after an in-depth consideration. In this regard, all prior ICSC recommendations as reflected in paragraphs 90 to 119 of its 21st annual report (A/50/30), were reaffirmed *[A/50/30/Add.1, para.32]*.

44th session (July/August): Evolution of the margin between the net remuneration of the US federal civil service and that of the UN: ICSC noted that the margin for 1996 stood at 109.7, taking into account: (a) the 1995 grade equivalency results; (b) a revised New York/Washington, D.C., differential;(c) the various methodological decisions it had taken and reaffirmed including the weighting procedure; (d) a new estimated post adjustment classification for New York in 1996. It decided to report to the GA a net remuneration margin of 109.7 *[A/51/30, paras. 126-128 and annex V]*.

In **resolution 51/216**, the GA: (a) decided that the net remuneration margin methodology without the modifications introduced by ICSC should continue to apply; (b) reaffirmed that the range of 110 to 120, with a desirable mid-point of 115, for the margin between the net remuneration of officials in the P and higher categories of the UN in New York and officials in comparable positions in the US federal

civil service should continue to apply, on the understanding that the margin would be maintained at a level around the desirable mid-point of 115 over a period of time; (c) noted that, on the basis of its decision in (a) above, the US/UN net remuneration margin was 114.6.

1997 **46th session (July)**: ICSC decided (a) to report to the GA the forecast of the margin of 115.7 between the net remuneration of the UN staff in grades P-1 to D-2 in New York and that of the US federal civil service in Washington, D.C., for the period from 1 January to 31 December 1997; (b) to inform the GA that again in 1997 the comparator had not fully implemented FEPCA pay reforms; and (c) to report to the GA that, with regard to the German/US total compensation comparison, preliminary estimates showed no significant change from the results reported in 1995, when it was shown that the German civil service remuneration package was 10.5 per cent higher than that of the US federal civil service *[A/52/30, para. 54]*.

In **resolution 52/216**, the GA noted that the margin between net remuneration of officials in the Professional and higher categories of the UN in New York and that of officials in comparable positions in the US federal civil service for 1997 was 115.7.

1998 **47th session (April/May):** At its 51st session, the GA reiterated its request to ICSC contained in **resolution 50/208**, to examine the possible partial phasing out of the expatriate elements of the margin for staff with long service at one duty station. It requested a report thereon at its 53rd session. ICSC studied documentation analysing expatriate elements in the UN common system, the comparator civil service, a number of national civil services and international organizations, as well as in the private sector. The analysis showed that provisions for expatriation in the UN common system did not compare favourably with those provided by a number of national civil services and private-sector employers, in particular with regard to housing *(ICSC/47/R.10)*. ICSC also considered documentation presented by CCAQ reviewing the legal consequences of expatriation *(ICSC/47/R.10/Add.2)*.

ICSC decided to report to the GA that (a) it had examined the possible phasing out of the expatriate elements of the margin for staff with long service at one duty station. Noting that this and related issues had been addressed previously, it recalled that in 1985 it had reported to the GA that: "...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 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" *[A/40/30, para. 113]*; (b) ICSC recalled that the level of the desirable margin and the margin range had been established at that time on a largely pragmatic basis; (c) ICSC considered that it did not have all the quantifiable elements and other information necessary to ascertain the degree to which the expatriate elements of the margin could possibly be phased out for some staff; (d) it noted that additional aspects of the issue went beyond the GA's specific request, that is, the application of all aspects of the margin to non-expatriate staff. It was noted that additional research would be required; (e) ICSC could not justify a change, at this time, from the decision it reported to the GA in 1985 as reported in subparagraph (a) above *[A/53/30, para. 117]*.

48th session (July/ August): ICSC decided (a) to report to the GA the margin forecast of 114.8 between the net remuneration of the UN staff in grades P-1 to D-2 in New York and that of the US federal civil service in Washington, D.C., for the period from 1 January to 31 December 1998; (b) to inform the GA that again in 1998 the comparator had not fully implemented FEPCA pay reforms; however, because of an improvement in economic and fiscal conditions of the comparator there were

indications that future adjustments might be enhanced; (c) to request its secretariat to explore possible solutions to the problem of very low margins at the higher common system grades and to submit its findings to ICSC at its spring 1999 session *[A/53/30, para.73]*.

In its **resolution 53/209**, the GA took note of (a) ICSC's intention, in light of its previous recommendations with respect to the above request, to explore possible solutions to the problems of imbalances in the US/UN net remuneration ratios at individual grade levels and; (b) noted that the margin between net remuneration of UN staff in grades P-1 to D-2 in New York and that of officials in comparable positions in the US federal civil service for 1998 is 114.8. With regard to the treatment of expatriation in the margin, the GA took note of the analysis and decisions of the Commission thereon and requested ICSC to continue to develop its study in this area and to report thereon to the GA at its 55th session.

1999 **50th session (July):** ICSC decided: (a) to report to the GA the margin forecast of 114.1 between the net remuneration of the UN staff in grades P-1 to D-2 in New York and that of the US federal civil service in Washington, D.C. for the period from 1 January to 31 December 1999; (b) to inform the GA that again in 1999 the comparator had not fully implemented FEPCA pay reforms; however, there were indications that future adjustments to the salaries of the comparator employees could be higher than those in the past and; (c) that its secretariat, CCAQ and representatives of staff should discuss the imbalance in the margin levels (*see Section 2.1.60)* with a view to formulating alternative proposals that would be available to ICSC before its recommendation a real salary increase (A/54/30, para.53 and annex II).

In **resolution 54/238**, the GA noted that, bearing in mind the imbalance in the margin levels, a recommendation for a differentiated salary increase by grades would need to be submitted to the GA at the time of any future recommendation for a real salary increase. It also noted that the margin between net remuneration of UN staff in grades P-1 to D-2 in New York and that of officials in comparable positions in the US federal civil service for 1999 was 114.1.

2000 **52nd session (July/August):** ICSC decided to report to the GA, in view of the revised grade equivalencies *(see Section 2.1.30)* between the United Nations and the United States federal civil service in Washington, a margin of 113.3 *[A/55/30, para.116 (b)]*.

In **resolution 55/223,** the GA noted that the margin between the net remuneration of United Nations staff in grades P-1 to D-2 in New York and that of officials in comparable positions in the United States federal civil service for 2000 is 113.3 based on the results of the grade equivalency study between the United Nations and the United States carried out in 2000. It also noted that the United Nations/United States remuneration ratios range from 119.9 at the P-2 level to 105.5 at the D-2 level, and considered that this imbalance should be addressed in the context of the overall margin considerations established by the General Assembly.

2001 **53rd session (June):** ICSC decided to report to the GA a margin of 111 between the remuneration of the United Nations staff in grades P-1 to D-2 in New York and that of the United States federal civil service in Washington for the period from 1 January to 31 December 2001. *[A/56/30, para.107]*.

In **resolution 56/244**, the General Assembly noted the net remuneration margin of 111 for the year 2001 and also noted that United Nations/United States remuneration ratios range from 117.1 at the P-2 level to 104.4 at the D-2 level, and considers that this imbalance should be addressed in the context of the overall margin considerations established by the General Assembly.

2002 **55th session (July/August):** ICSC noted that the net remuneration margin for 2002 was estimated at 109.3 on the basis of the approved methodology and existing grade equivalencies between United

Nations and United Sates officials in comparable positions. ICSC decided to report a net remuneration margin of 109.3 to the General Assembly for the year 2002 (A/57/30, para. 153).

In its **resolution 57/285**, the General Assembly (a) noted that the US/UN net remuneration margin was 109.3; (b) reaffirmed that the range of 110 to 120 for the margin between the net remuneration of officials in the P and higher categories of the UN in New York and officials in comparable positions in the US federal civil service should continue to apply, on the understanding that the margin would be maintained at a level around the desirable mid-point of 115 over a period of time; (c) requested ICSC to keep the matter under review with a view to restoring the margin to its midpoint over a period of time and to report to it on the outcome of its review at its 62nd session, taking into full account the Noblemaire principle.

2005 **61st session (July):** The Commission decided to take note of the margin forecast of 111.1 between the net remuneration of United Nations staff in grades P-1 to D-2 in New York and that of the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2005. It also decided to draw the attention of the General Assembly to the fact that the current level of the margin was 3.9 percentage points below the desirable midpoint of 115 *[A/60/30, para. 108].*

In **resolution 60/544**, the GA decided to defer to its resumed sixtieth session consideration of the report the International Civil Service Commission for the year 2005.

2006 **62nd session (March):**At its sixty-second session, the ICSC requested its secretariat to produce an integrated and up-to-date document outlining the complete procedure for calculating the net remuneration margin between the United Nations and its present comparator – the federal civil service of the United Stated of America.

63rd session (July): Document *ICSC/63/R.8* was submitted in response to that request. The Commission was informed that the net remuneration margin for 2006 was estimated at 114.3 on the basis of the approved methodology and existing grade equivalencies between the United Nations and the United States officials in comparable positions. The Commission was also informed that the margin level for the past five years had remained below the desirable midpoint of 115 and stood at 111.3 *[A/61/30 paras.72-73].*

The Commission decided to inform the General Assembly that the forecast of the margin between the net remuneration of the United Nations staff in grades P-1 to D-2 in New York and that of the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2006 was 114.0. It decided to draw the attention of the General Assembly to the fact that the margin had not reached the level of the desirable midpoint of 115 since 1997 and that its average level for the past five years stood at 111.3 *[A/61/30, para.83].* Details of the margin calculation are found in *A/61/30 annex II.*

In **resolution 61/239**, the General Assembly noted that the margin between net remuneration of the United Nations staff in grades P-1 to D-2 in New York and that of officials in comparable positions in the United States federal civil service in Washington for the period 1 January to 31 December 2006 is 114.3 (based on updated information provided by the Chairman). The General Assembly reaffirmed that the range of 110 to 120 for the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and the officials in comparable positions in the comparator civil service should continue to apply, on the understanding that the margin would be maintained at a level around the desirable midpoint of 115 over a period of time.

2007 **65th Session (July):** The Commission decided to inform the General Assembly to take note of the margin forecast of 113.9, later updated to114.0, between the net remuneration of United Nations staff

in grades P-1 to D-2 in New York and that of the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2007. It also decided to draw the attention of the General Assembly to the fact that the average margin level for the past five years (2003-2007) had been below the desirable midpoint of 115, currently standing at 112.3 [A/62/30, para. 24].

In **resolution 62/227**, the GA took note of the forecasted margin and the average level of the margin for the past five years. It also reaffirmed that the range of 110 to 120 for the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and the officials in comparable positions in the comparator civil service should continue to apply on the understanding that the margin would be maintained at a level around the desirable midpoint of 115 over a period of time.

2008 **67th session (July):** The Commission decided to inform the General Assembly that the forecast of the margin between the net remuneration of the United Nations staff in grades P1 to D2 in New York and that of the United States federal civil service in Washington D.C. for the period 1 January to 31 December 2008 was 114.7. It also informed the General Assembly that the average margin level for the past five years (2004-2008) stood at 112.9, below the desirable midpoint of 115.

In **resolution 63/251**, the General Assembly (a) noted that the US/UN remuneration margin was 114.7, and that the average margin level for the past five years was 112.9 and (b) reaffirmed that the range of 110 to 120 for the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the US federal civil service should continue to apply, on the understanding that the margin would be maintained at a level around the desirable midpoint of 115 over a period of time.

2009 **69th session(June/July)**: The Commission decided to inform the General Assembly that the forecast of the margin between the net remuneration of the United Nations staff in grades P1 to D2 in New York and that of the United States Federal Civil Service in Washington D.C. for the period 1 January to 31 December 2009 was 113.8. It also informed the General Assembly that the average margin level for the past five years (2005-2009) stood at 113.6 below the desirable mid-point of 115.

In **resolution 64/231** the General Assembly (a) noted that the US/UN remuneration margin was 113.8, and that the average margin level for the past five years was 113.6 and (b) reaffirmed that the range of 110 to 120 for the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the US federal civil service should continue to apply, on the understanding that the margin would be maintained at a level around the desirable midpoint of 115 over a period of time.

2010 **71st session (July/August):** The Commission decided to inform the General Assembly that the forecast of the margin between the net remuneration of the United Nations staff in grades P1 to D2 in New York and that of the United States Federal Civil Service in Washington D.C. for the period 1 January to 31 December 2010 was estimated at 113.3. It also informed the General Assembly that the average margin level for the past five years (2006-2010) stood at 114.0, below the desirable mid-point of 115. The Commission also decided that its secretariat should commence work on the review of the net remuneration margin methodology in 2011 and to report on its findings at the seventy-fifth session of ICSC.

In **resolution 65/248**, the General Assembly, recalled section 1.B of its resolution 51/216 and the standing mandate from the General Assembly, in which the Commission is requested to continue its review of the relationship between the net remuneration of United Nations staff in the Professional and higher categories in New York and that of the comparator civil service (the United States federal civil service) employees in comparable positions in Washington, D.C. (referred to as “the margin”),

reaffirmed that the range of 110 to 120 for the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the comparator civil service should continue to apply, on the understanding that the margin would be maintained at a level around the desirable midpoint of 115 over a period of time. The General Assembly also noted that the margin between net remuneration of the United Nations staff in grades P-1 to D-2 in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2010 is estimated at 113.3 and that the average margin level for the past five years (2006-2010) stands at 114.0 [A/65/30, paras. 129 and 130].

2011 **73rd session (July)** The Commission decided to inform the General Assembly that the forecast of the margin between the net remuneration of the United Nations staff in grades P1 to D2 in New York and that of the United States Federal Civil Service in Washington D.C. for the period 1 January to 31 December 2011 was estimated at 114.9. It also informed the General Assembly that the average margin level for the past five years (2007-2011) stood at 114.1, below the desirable mid-point of 115.

In **resolution 66/235**, the General Assembly, recalled section 1.B of its resolution 51/216 and the standing mandate from the General Assembly, in which the Commission is requested to continue its review of the relationship between the net remuneration of United Nations staff in the Professional and higher categories in New York and that of the comparator civil service (the United States federal civil service) employees in comparable positions in Washington, D.C. (referred to as "the margin"), reaffirmed that the range of 110 to 120 for the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the comparator civil service should continue to apply, on the understanding that the margin would be maintained at a level around the desirable midpoint of 115 over a period of time. The General Assembly also noted that the margin between net remuneration of the United Nations staff in grades P-1 to D-2 in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2011 is estimated at 114.9 and that the average margin level for the past five years (2007-2011) stands at 114.1.

2012 **74th Session (Feb/Mar)** The Commission reviewed the United Nations/United States net remuneration margin methodology. At the Session, the Commission discussed the following: (1) ways to improve the grade equivalencies; (2) inclusion of the performance bonuses payable to some jobs at the comparator into the base salaries for the margin calculations; (3) possible options to reduce the volatility of the weights in the margin calculations; (4) the present differentiation between the net remuneration of a single staff and a staff with a dependant. The Commission **decided** to keep the United Nations/United States net remuneration margin methodology under review while focusing first on the grade equivalency aspect.

75th Session (Jul) The Commission was informed that: (1) in 2012 the comparator did not have the locality pay increases because of a statutory pay freeze through 31 December 2012; (2) there was a revision of federal tax brackets and standard and personal deductions which resulted in a slight reduction in income taxes for all taxpayers in the Washington, D.C., metropolitan area; (3) a post adjustment multiplier was estimated at 68.0 for August through December 2012; (4) The grade equivalencies matrix with the comparator was approved by the Commission in 2010 at its seventy-first session; (5) a revised cost-of-living differential between New York and Washington, D.C., was estimated at 111.6. Base on that, the margin for 2012 amounted to 117.7, with its five-year average (2008-2012) standing at 114.9. The Commission **decided** to defer the promulgation of the revised New York post adjustment multiplier in view of the financial situation of the United Nations as described by

the Secretary-General. It also **decided** that, unless the General Assembly acted otherwise, the multiplier would be promulgated on 1 January 2013 with a retroactive effect as of 1 August 2012.

In resolution 67/257 The General Assembly reaffirmed that the range of 110 to 120 for the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the comparator civil service should continue to apply, and that the margin should be maintained at a level around the desirable midpoint of 115 over a period of time, without prejudice to the Assembly's future decisions. Furthermore, the General Assembly requested (Decision 67/551) the Commission to maintain the current New York post adjustment multiplier to 31 January 2013, with the understanding that the normal operation of the post adjustment system would resume on 1 February 2013.

2013 **77th Session (July):** The Commission **decided:** (a) to inform the General Assembly that the margin for 2013 amounted to 119.6 and its five year (2009-2013) average margin amounted to 115.7, which was above the desirable midpoint of 115; (b) to keep this matter under review; (c) to implement in February 2013 margin management procedures approved by the Assembly in its resolution 46/191, section IV, which would also call for scaling back of post adjustment indices for all duty stations other than New York.

In **resolution 68/253**, the General Assembly: (1) reaffirmed the Noblemaire principle as the basis for the determination of the level of remuneration for staff in the Professional and higher categories in New York, the base city for the post adjustment system, and in other duty stations; (2) reaffirmed the margin range of 110 to 120 on the understanding that the margin would be maintained at a level around the desirable midpoint of 115 over a period of time; (3) noted the elevated level of the margin; (4) welcomed the Commission's initiative to manage the margin and not to increase the post adjustment for New York in 2014 in view of the current margin level; (5) requested the Commission to submit to the General Assembly no later than the main part of the 69th session recommendations on the range of actions and time schedules that would permit to bring back the margin to its desirable midpoint of 115.

2014 **79th Session (July):** The Commission **decided to report** to the General Assembly that the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the United States federal civil service in Washington, D.C., for the calendar year 2014 amounted to 117.4 and its five-year (2010-2014) average amounted to 116.4, which was above the desirable midpoint of 115.

Bearing in mind section II.B, paragraph 5, of General Assembly resolution 68/25, which recalled that the five-year average of the net remuneration margin should be maintained around the desirable midpoint of 115, and requested the Commission to submit to the Assembly, no later than at the main part of its sixty-ninth session, recommendations on the range of actions and time schedules that would bring the margin back to its desirable midpoint, the Commission reviewed the range of actions and time schedules that would permit the margin to be brought back to its desirable midpoint.

The Commission, noting, inter alia, that five-year averaging of the margin appeared to introduce instability in the margin management procedures which could have implications for net remuneration, decided:

(a) The normal procedure for management of the margin within the established range would be suspended until further notice;

(b) The freeze in net remuneration in New York would be continued until such time that the margin had been brought back to its desirable midpoint. (A/69/30, paras. 170 – 171).

In its **resolution 69/251**, the General Assembly requested the Commission to continue action to bring the calendar year margin to around the desirable midpoint, without prejudice to any future decision of the General Assembly and to further examine issues relating to margin management in the context of its ongoing comprehensive review of compensation.(A/RES/69/251, section II.D)

2015 **81st Session (July):** The Commission decided to report to the General Assembly that the margin between the net remuneration of United Nations officials in the Professional and higher categories in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C., amounted to 117.2 both for the calendar year 2015 and for the five-year (2011-2015) average. (A/70/30, paras 36-41)

By **resolution 70/244** (section B) the General Assembly noted the estimated calandar and five-year average margin levels and that it was above the desirable midpoint of 115.

2013 – 2015: As part of the **comprehensive review** of the compensation package for staff in the Professional and higher categories, conducted by the Commission between its 76th to 81st sessions (March 2013 to July 2015), the Commission recommended to the General Assembly that one net salary scale be introduced for all staff in the Professional and higher categories, without regard to family status. (A/70/30, paras 210 – 211)

With this in mind, and recalling the request of the General Assembly in its resolution **69/251** that the Commission continue to act to bring the calendar year to around the desirable midpoint, the Commission considered a number of possible options relating to the measurement and management of the margin. It subsequently **decided to recommend** to the General Assembly (A/70/30/para 302):

(a)That margin comparisons be based on officials with no dependants. The calculation of the comparator civil service gross salaries should be netted down by the continued application of the "married filing jointly" tax schedule, with the resulting averages for each grade reduced by a factor representing the United Nations spouse allowance;

(b)That performance-related payments not be included in the margin comparison.

In order for the Commission to manage the margin more actively within the range of 110-120 with a desirable midpoint of 115, the Commission decided to recommend to the General Assembly that if the margin trigger levels of 113 or 117 were breached, appropriate action be taken through the operation of the post adjustment system.(A/70/30/para 303)

In its **resolution 70/244** the General Assembly approved the recommendations of the Commission on the margin management methodology and further decided that, if the margin trigger levels of 113 or 117 are breached, the Commission should take appropriate action through the operation of the post adjustment system. (A/RES/70/244, section II.B, para 5).

2016

83rd session (July): The Commission decided to report to the General Assembly that the margin between the net remuneration of the United Nations officials in the Professional and higher categories in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C., amounted to 114.1 for the calendar year 2016 (A/71/30, para 132 (a)). The figure

was adjusted to 114.5 based on the latest CEB statistics and presented during the introductory statement of the ICSC Chairman to the Fifth Committee of the General Assembly.

In its resolution 71/264, section II.B, the General Assebly noted the estimated calendar magin level and reaffirmed that the range of 110 to 120 for the margin should continue to apply, on the understanding that the margin would be mantained at a level around the desirable midpoint of 115. It recalled the decision of the Commission to continue monitoring the margin level and to take the necessary correctve action should triger levels of 113 and 117 be breached. It also requested the Commission to include information on the development of margin over time in an annex to its annual reports.

2017 **85th session (July):** The Commission decided to report to the General Assembly that the margin between the net remuneration of the United Nations officials in the Professional and higher categories in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C., amounted to 113.4 for the calendar year 2017 (A/72/30, para 106 (a)). It was recalled that the Commission revised the post adjustment multiplier for New York in February 2017 to maintain the margin above the 113-trigger level.

The Commission noted that the 2017 margin was close to the lower trigger point of 113 and that there was some likelihood of action being required in 2018 to manage the margin level through the operation of the post adjustment system if the comparator's salary outpaces the common system pay level (ibid, para 105). In this respect, the Commission requested its secretariat to continue monitoring margin so that corrective actions could be taken (ibid, para 106 (b).

As per General Assembly resolution 71/264, the Commission also provided information on the development of the margin over time (A/72/30, annex VIII, B).

It was agreed that a revised margin estimate would be presented to the General Assembly during the introduction of the Commission's annual report if updated personal statistics from the United States Office of Personnel Management or the secretariat of the United Nations System Chief Executives Board for Coordination becomes available.

In its resolution 72/255, section II.B, the General Assembly: (1) reaffirmed that the range of 110 to 120 for the margin should continue to apply, on the understanding that the margin would be maintained at a level around the desirable midpoint of 115 over a period of time; (2) noted that the margin between net remuneration of the United Nations staff in grades P-1 to D-2 in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C for the period from 1 January to 31 December 2017 is 113.7**[1]**; (3) recalled its decision in resolution 70/244 that, if the margin trigger levels of 113 or 117 are breached, the Commission should take appropriate action through the operation of the post adjustment system; (4) noted the decision of the Commission to continue monitoring the level of the margin and to take the necessary corrective action under the operation of the post adjustment system should the trigger levels of 113 or 117 be breached.

[1] The revised number is due to the updated personnel statistics from the United Nations System Chief Executives' Board for Coordination which became available before the consideration of the ICSC report at the Fifth Committee of the United Nations General Assembly.

2018 **87th session (July):** The Commission decided to report to the General Assembly that the margin between the net remuneration of the United Nations officials in the Professional and higher categories

in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C., amounted to 114.4 for the calendar year 2018 (A/73/30, para 86). As per General Assembly resolution 71/264, the Commission also provided information on the development of the margin over time (A/73/30, annex VII, B).

The Commission noted that the updated margin had been estimated on the basis of the latest statistics available at the time of consideration. It was agreed that, should further data updates become available, a revised margin estimate would be presented to the General Assembly during the introduction of the Commission's annual report.

In its resolution 73/273, section II (B), the General Assembly: (1) Reaffirmed that the range of 110 to 120 for the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the comparator civil service should continue to apply, on the understanding that the margin would be maintained at a level around the desirable midpoint of 115 over a period of time; (2) Noted that the margin between net remuneration of the United Nations staff in grades P-1 to D-2 in New York and that of officials in comparable positions in the United Nations federal civil service in Washington D.C., for the period from 1 January to 31 December 2018 is 113*; (3) Recalled its decision contained in resolution 70/244 that, if the margin trigger of 113 or 117 are breached, the Commission should take appropriate action through the operation of the post adjustment system; (4) Noted the Commission's decision to continue monitoring the level of margin and to take the necessary corrective action under the operation of the post adjustment system should the trigger levels of 113 or 117 be breached.

***Note:** The number was revised because the personnel statistics of the United Nations System Chief Executives Board for Coordination was updated and became available before the consideration of the ICSC report at the Fifth Committee of the General Assembly

2019 **89th session (July):** The Commission decided to report to the General Assembly that the margin between the net remuneration of the United Nations officials in the Professional and higher categories in New York and that of officials in comparable positions in the United States federal civil service in Washington D.C. amounted to 113.4 for the calendar year 2019 (A/74/30, para 66). As per General Assembly resolution 71/264, the Commission also provided information on the development of margin over time (A/74/30, annex V, B).

The Commission noted that the updated margin had been estimated on the basis of the latest statistics available at the time of consideration. It was agreed that, should further data updates become available, a revised margin estimate would be presented to the General Assembly during the introduction of the Commission's annual report.

In its resolution 74/255B, section II (B), the General Assembly: (1) Reaffirmed that the range of 110 to 120 for the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the comparator civil service should continue to apply, on the understanding that the margin would be maintained at a level around the desirable midpoint of 115 over a period of time; (2) Noted that the margin between net remuneration of the United Nations staff in grades P-1 and D-2 in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2019 was 113.4; (3) Recalled its decision contained in resolution 70/244 that, if the margin trigger levels of 113 or 117 were breached, the Commission should take appropriate action through the operation of the post adjustment system; (4) Noted the Commission's decision to continue monitoring the level of margin and to take the necessary corrective action under the operation of the post adjustment system should the trigger levels of 113 or 117 be breached.

2020 **90th session (October):** The Commission decided to report to the General Assembly that the margin between the net remuneration of the United Nations officials in the Professional and higher categories

in New York and that of officials in comparable positions in the United States federal civil service in Washington D.C. amounted to 113 for the calendar year 2020 (A/75/30, para.58). As per General Assembly resolution 71/264, the Commission also provided information on the development of margin over time (A/75/30, Annex V).
The Commission noted that the updated margin had been estimated on the basis of the latest statistics available at the time of consideration. It was agreed that, should further data updates become available, a revised margin estimate would be presented to the General Assembly during the introduction of the Commission's annual report.

In its resolution 75/245, the General Assembly: (1) Reaffirmed that the range of 110 to 120 for the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the comparator civil service should continue to apply, on the understanding that margin would be maintained at a level around the desirable midpoint of 115 over a period of time; (2) Noted that the margin between net remuneration of the United Nations staff in grades P-1 to D-2 in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2020 is 113.0; (3) Recalled its decision contained in resolution 70/244 that, if the margin trigger levels of 113 or 117 are breached, the Commission should take appropriate action through the operation of the post adjustment system; (4) Noted the decision of the Commission to continue monitoring the level of the margin and to take the necessary corrective action under the operation of the post adjustment system should the trigger levels of 113 or 117 be breached.

2021 **92nd session (August):** The Commission decided to report to the General Assembly that the margin between the net remuneration of the United Nations officials in the Professional and higher categories in New York and that of officials in comparable positions in the United States federal civil service in Washington D.C. amounted to 113.3 for the calendar year 2021 (A/76/30, para.30). As per General Assembly resolution 71/264, the Commission also provided information on the development of the margin over time (A/76/30, Annex III).
The Commission noted that the updated margin had been estimated on the basis of the latest statistics available at the time of consideration. It was agreed that, should further data updates become available, a revised margin estimate would be presented to the General Assembly during the introduction of the Commission's annual report.
In its resolution 76/240, the General Assembly: (1) Reaffirmed that the range of 110 to 120 for the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the comparator civil service should continue to apply, on the understanding that the margin would be maintained at a level around the desirable midpoint of 115 over a period of time; (2) Noted that the margin between net remuneration of the United Nations staff in grades P-1 to D-2 in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2021 was 113.3; (3) Recalled its decision contained in resolution 70/244 that, if the margin trigger levels of 113 or 117 are breached, the Commission should take appropriate action through the operation of the post adjustment system; (4) Noted the decision of the Commission to continue monitoring the level of the margin and to take the necessary corrective action under the operation of the post adjustment system should the trigger levels of 113 or 117 be breached.

SECTION 2.1.50
TOTAL COMPENSATION

1976 **3rd session (March)**: ICSC recognized that for the purposes of the application of the Noblemaire principle, the comparison of UN remuneration of the P and higher categories with that of the selected comparator national civil service should be made in such a way as to take into account all elements of compensation and not just the net salaries as had been the practice. ICSC therefore stated its intention to devise a method for making the comparison in terms of "total compensation". It intended to pursue studies: (a) on the methodology for evaluating "total compensation" (i.e., all financial benefits provided by the employer to employees), for use primarily in a broader comparison of the remuneration of the UN and that of the comparator national civil service, but with possible applications also to the comparison of remuneration of the GS category with best prevailing conditions offered by other employers in the different duty stations; (b) on the comparison of the value of UN pension benefits with those of US civil servants.

By **resolution 31/141 B**, the GA noted the intention of ICSC to pursue studies with a view to arriving at a methodology permitting comparison of "total compensation" between the comparator civil service and the UN salary system and requested ICSC to carry out this comparison at all levels and to report its findings to the GA no later than at its 33rd session.

1977 **5th session (February/March)**: ICSC recognized the advantage of combining the above two studies, pension benefits being the second largest element in "total compensation" after net remuneration, and commissioned a firm of consultants (Hewitt Associates) to assist it in its study. The comparison of pension benefits was carried out with the participation and collaboration of the Pension Fund *[A/32/30, para. 59]*.

6th session (August/September): ICSC considered further, on the basis of proposals by the consultants, the methodology to be adopted for the evaluation of other elements of compensation, in particular, the elements to be included and excluded, the treatment of the expatriation factor and the actuarial assumptions to be used *[A/32/30, para 60]*.

1978 **7th session (February/March):** ICSC examined the study prepared by the consultants, recalling that its concern was with the methodology to test whether the "group benefit" approach developed by Hewitt Associates was a valid method for the purposes of the common system. The "group benefit" approach consisted in taking the UN "population" (i.e., the staff of the P and higher categories of the common system at a given date) with its existing demographic characteristics (distribution by sex, age, family status, income level, length of service, etc.), calculating the aggregate value to this group of the conditions of service provided to them by the UN system, and then comparing this value with that which they, as a group, would receive if, instead, the conditions of service of the US Federal Civil Service were applied to them *[A/33/30, para. 97]*. The study showed that the UN conditions of service were reasonably in line with those of the comparator service. ICSC found that the study set out clearly the data being used the conditions of service and benefits in the two services, the demographic characteristics of the UN population, the actuarial assumptions, etc., and that the results obtained by the trial comparison were also clearly shown. However, the report did not reveal the details of the methodology used to get from the data to the results, which the consultants regarded as their trade secret. Consequently the results could not be verified by ICSC nor by Governments. Furthermore, if ICSC adopted this method of evaluating total compensation and made total compensation the basis of comparison in application of the Noblemaire principle - which ICSC was pledged to keep under continual review - it would have no alternative but to employ the same consultants to make the comparison each time it was needed and certainly not less than once a year. That would place ICSC and indeed the whole common system in a situation of total dependency. ICSC could not accept that

situation and so concluded that the Hewitt Associates' trade-marked "group benefit" approach was not suitable for use by the UN common system *[A/33/30, paras. 99 and 100]*.

In the other major area compared, that of health care, the Hewitt study found the total health care benefits of the UN to be about 17 per cent higher than those of the US Federal Civil Service. However, this was stated to be due entirely to the existence of a dental plan at the UN; no dental costs were reimbursed to US federal civil servants. If the dental benefits were excluded, the values for medical benefits were found to be 1 or 2 per cent higher for US federal civil servants *[A/33/30, para. 114]*. ICSC concluded that the particular benefits of the UN which had been analysed bore approximately the same relation to UN net pay as the corresponding US Federal Civil Service benefits did to United States net pay. It was emphasized by many members of ICSC that the Noblemaire principle called for a comparison of the general level of remuneration and conditions of service but had never been taken to require that each and every element of the conditions of service of the international organizations should be a carbon copy of the corresponding conditions in the comparator national civil service. ICSC declared its intention to continue its efforts to develop an appropriate methodology for making overall **1978** comparisons of total compensation. In the meantime, however, on the evidence of the present study, ICSC believed that a comparison based on net remuneration did provide a reasonable reliable interim basis for comparing the effective levels of remuneration of the two services *[A/33/30, para. 117]*.

1980 **11th session (February/March)**: ICSC was informed that the US Federal Civil Service Commission and the Canadian Government were engaged in studies aimed at developing a method of total compensation comparison for the purpose of fixing compensation of their respective civil service employees. ICSC decided to await the results of the studies by these Governments in the hope that their experience might be useful to ICSC in its own search for a methodology for total compensation comparison *[A/35/30, para. 106]*.

12th session (July/August): ICSC examined the methods adopted by the US Federal Civil Service Commission and the Government of Canada and agreed that they were designed for total comparison within a national context and would need to be adapted for application in an international environment. Furthermore, although ICSC envisaged the use of its own method in comparing the levels of compensation of civil services in different countries in order to determine which should be taken as comparator, it decided to restrict itself at that stage to making the comparison of remuneration of the common system with that of the US Federal Civil Service, i.e., current comparator, in terms of total compensation. It, therefore, had requested its secretariat to identify the elements of compensation to be taken into account on both sides *[A/35/30 para. 107]*. Following an examination of this list of elements, ICSC decided to make the following two comparisons in terms of total compensation: (a) excluding expatriation benefits on both sides; (b) expatriation benefits on both sides *[A/35/30, para. 108]*.

The GA, by **resolution 35/214**, noted with appreciation the continuing efforts of ICSC to review the application of the Noblemaire principle, and invited ICSC to complete its examination as soon as possible, especially with a view to achieving comparability of total compensation of the UN remuneration of the P and higher categories with that of the selected comparator national civil service and to ascertaining whether the present comparator was still the highest paid civil service.

1981 **14th session (July)**: ICSC informed the GA of the progress made on the development of a total compensation methodology. The GA was also informed that ICSC had used the methodology for comparison of total compensation as developed by the US Government's Office of Personnel Management (OPM) after necessary modifications required for the adaptation of that methodology in the context of the UN/US total compensation comparison. ICSC requested the GA to note: (a) the results of the total compensation comparison based on non-expatriate elements only; (b) that some

doubts had been expressed by the organizations and the staff concerning the use of the methodology as well as some of the assumptions made; (c) that the matter would be kept under review by ICSC and that further improvements to the methodology and the use thereof would be made bearing in mind the concerns expressed by the organizations and the staff; (d) that if the GA wished ICSC to continue its work on the methodology for comparison of total compensation to include expatriate benefits any such request must be accompanied by the allocation of the necessary resources in the Commission's budget *[A/36/30, para. 65]*.

The GA, by **resolution 36/233**, requested ICSC to give high priority to the completion of, *inter alia*, the following study and to report on it to the GA at its 37th session: the improvement of the comparison of total compensation between the comparator civil service and the international civil service, taking into account all relevant elements, including the level of pensions, but excluding expatriate benefits applicable to staff members in the P and higher categories in the comparator civil service.

1982 **16th session (July)**: ICSC agreed that its secretariat had made noteworthy improvements in the methodology for total compensation comparison. It decided that, for the purposes of quantifying pension benefits applicable on the US side, both UN and US population characteristics should continue to be used until it was satisfied that the differences in population characteristics of these two civil services had no significant impact on the results of this comparison. It further decided to request its secretariat to develop ratios of benefit values in terms of net base salaries applicable on both sides and to apply these ratios for the purposes of future total compensation comparisons until significant changes relating to benefits and/or population characteristics called for another comprehensive total compensation comparison *[A/37/30, para. 77]*. Since ICSC could not reach a consensus as to whether the application of the mandatory age of separation of 60 applicable on the UN side represented an advantage or a disadvantage to the international civil service, it requested the GA to take note of the results of the total compensation comparison based on the two assumptions *[A/37/30, para. 84]*. ICSC agreed that the comparison of total compensation should not only be based on non-expatriate elements of compensation but should also take into account expatriate benefits applicable on both sides. It further agreed that for the purposes of comparison based on expatriate benefits, the benefits outlined in annex V to document A/37/30 should be taken into account. If the GA wished ICSC to undertake the development of a methodology for comparison of expatriate benefits then any such request must be accompanied by the allocation of the necessary resources in the ICSC budget *[A/37/30, paras. 84 and 85]*.

In **resolution 37/126**, the GA took note of the status of the comparison of total compensation between the comparator civil service and the UN system.

1983 **17th and 18th sessions (March; July/August)**: ICSC continued to address the issue of the differences in the length of service applicable on both sides arising from the fact that a mandatory age of separation of 60 was applied to UN staff members while no such restriction was placed on the federal civil service employees of the US. In document ICSC/18/R.5 the secretariat submitted statistics provided by the US Government which highlighted the fact that, under the eligibility provisions applicable to US federal civil service employees as part of their pension scheme, employees at age 60 with 20 years of service could retire without any reduction in benefits if they chose to do so. ICSC was also informed that the average extra length of service affected the pension annuities paid to the retirees from the US federal civil service and that those annuity values were taken into account as part of the pension value applicable on the side of the US Federal Civil Service.

The ICSC secretariat was therefore of the view that, as this factor had been taken into account as an advantage on the side of the US Federal Civil Service, its effects on the UN side must also be taken into account by making appropriate adjustments for the differences in the average length of career. A

majority of ICSC endorsed the methodology proposed by the secretariat to account for the differences in length of career *[A/38/30, paras. 23 and 24]*. The majority of ICSC agreed that, until further notice, two sets of margin calculations, one based on base salaries alone and the other based on the comparison of all non-expatriate benefits, should be submitted to ICSC *[A/38/30, para. 30]*.

ICSC decided that future margin calculations based on total compensation comparisons should address differences in US/UN average lengths of careers. Based on data provided by the US Government, it had been shown that 73.6 per cent of the US Federal Civil Service staff who retired under the "60 and 20" retirement provision, remained in service beyond normal retirement eligibility for an additional 3.25 years on average. ICSC therefore directed its secretariat to account for this difference in future total compensation comparisons. This difference amounted to 2.4 years (3.25 years x 73.6 per cent) *[A/39/30, para. 88]*.

By **resolution 38/232**, the GA noted the progress made to date concerning the comparison of total compensation based on non-expatriate benefits applicable on both sides, and requested ICSC to inform the GA, on an annual basis, of the margin between the remuneration of the UN employees and those of the US Federal Civil Service on this total compensation basis.

1984 **19th session (March)**: ICSC noted the above request and decided that the results of all margin calculations in future would be reported to the GA on the basis of total comparisons of non-expatriate benefits applicable on both sides *(ICSC/19/R.22, para. 69)*. It undertook an examination of pension benefits within the framework of total compensation comparisons and concluded that the basic features of the pension benefit schemes of the two civil services were virtually the same. This did not mean, however, that all the benefits provided within the framework of the two pension schemes were identical *[A/39/30, para. 32]*. ICSC had consistently maintained that any comparison should not be limited to net remuneration but should also take into account other elements of comparison, such as pension benefits. ICSC, therefore, developed a total compensation comparison methodology. ICSC also decided to calculate the UN/US margin on the basis of both net remuneration and a total compensation comparison including pension benefits *[A/39/30, para. 34]*.

20th session (July): ICSC agreed that the comparison of total compensation between the two services was a continually evolving process, and that there had been considerable developments in the US federal civil service retirement system and social security system over the past year, so that further developments could be envisaged in those systems in the foreseeable future, leading ICSC to conclude that those systems were in a state of flux which would necessitate a monitoring of developments on a continuing basis *[A/39/30, para. 91]*. ICSC decided to report the margin based on its comparison of non-expatriate benefits of total compensation developed to date as 110.6 and to review and refine this methodology further, taking into account all new developments *[A/39/30, para. 93]*.

The GA, by **resolution 39/27**, decided that: (a) ICSC should continue to report the margins in respect of both total compensation comparisons and net remuneration comparisons of the UN system and the comparator civil service; (b) in determining the total compensation margin, ICSC should consider all relevant factors in the two services including, *inter alia*, the differences in annual leave, taking into account the views expressed in the Fifth Committee.

1985 **22nd session (July)**: Several ICSC members noted that the analysis of annual leave introduced an element of expatriation, namely home leave, which the GA had not yet requested ICSC to address. A suggestion was therefore made to report the results of such analysis to the GA 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, ICSC prior consideration of those matters remained valid. However, ICSC noted that the total compensation margin would rise to 119.8 if the difference in annual leave

(including home leave provisions for the US Federal Civil Service employees) were to be taken into account *[A/40/30, para. 65]*.

ICSC decided to report the total compensation margin to the GA excluding the calculations for career length differences. It reported to the GA a total compensation margin of 117.6, which reflected a comparison at step I of both the US Federal Civil Service and UN P and higher category salary scales that incorporated the following elements:

United States	United Nations
Base salary	Base salary
Pensions	Post adjustment
Health insurance	Dependency allowances
Life insurance	Pensions and health insurance
Death grant benefit	

[A/40/30, paras. 65 and 67].

1986 **24th session (July)**: ICSC considered documentation submitted by its secretariat that dealt with a comparison of total compensation based on non-expatriate elements of remuneration *(ICSC/24/R.10 and CRP.11)*. On the basis of the decisions taken by ICSC to date concerning the total compensation comparison methodology and using the cost-of-living differential between Washington, D.C. and New York as at May 1986, a margin figure of 118.8, calculated on the basis of non-expatriate elements of remuneration applicable on both sides was reported *[A/41/30, para. 75]*.

The ICSC secretariat was requested to prepare a document for the 25th session which would enable ICSC to undertake a comprehensive review of the usefulness of total compensation comparisons. The secretariat was therefore also requested to provide a brief summary of the quantification procedures. In the meantime, ICSC decided to request the GA to take note of the margin of 118.8 calculated on the basis of the total compensation comparison methodology previously reported to the Assembly *[A/41/30, paras. 83 and 84]*.

By **resolution 41/207**, the GA requested ICSC to examine the total entitlements (salaries and other conditions of service) of both services with a view to determining the feasibility and usefulness of a comparison and to report thereon to the GA at its 42nd session.

1987 **25th session (March)**: ICSC initially reviewed a number of issues relevant to the continued use of the total compensation methodology. Although ICSC had scheduled such a review as part of its work programme, the need for such a review was reinforced by the request of the GA, in resolution 41/207 *[A/42/30, para. 88]*.

Also, by **resolution 41/213**, the GA had requested the SG to transmit to ICSC for its review those recommendations of the Group of High-level Intergovernmental Experts having a direct impact upon the common system. In the context of the total compensation methodology, recommendation 61 of the Group of High-level Intergovernmental Experts was of particular relevance, since it stated that: "The total entitlements (salaries and other conditions of service) of staff members have reached a level which gives reason for serious concern and it should be reduced. In particular, the elimination of the education grant for post-secondary studies and the establishment of a four-week annual leave system for all staff members should be considered for prompt implementation" *[A/42/30, para. 89]*.

In response to the GA, ICSC requested its secretariat to undertake a comprehensive total compensation comparison by including leave, work-hour elements and the new pension scheme provisions of both civil services and, particularly, by including expatriate benefits on both sides *[A/42/30, para. 90]*.

26th session (July): Some members were of the view that only a total compensation comparison including expatriate benefits would enable the GA to make an overall comparison of the total entitlements of the staff of the UN common system and that of the comparator service. They concluded that such a total compensation comparison was not only feasible and useful but necessary, and could be carried out at a low cost. Noting numerous conceptual and technical complexities and the high level of expenditure needed to produce even marginal results, some members of ICSC concluded that the total compensation methodology was of very limited usefulness and definitely should not include expatriate benefits. They pointed out that the technical problems associated with comparisons of a single element, net remuneration, were substantial, and were growing. Since similar problems were evident with each element added in a total compensation approach, the imprecisions associated with each element multiplied and accumulated to unacceptable levels in a total measurement. These flaws were further exacerbated when expatriate benefits were included, since this approach involved situations in the US system that had not an appropriate basis for comparison in the international civil service. Therefore, it would be unwise and unproductive to pursue a costly methodology that yielded distorted, unreliable technical measurements and inflated expectations *[A/42/30, paras. 103 and 104]*.

In **resolution 42/221** the GA took note of the above discussion and requested ICSC to develop a methodology regarding total entitlements and to present its recommendations to the 44th session (1989).

1988 **28th session (July):** In accordance with its earlier decision to report to the GA on an annual basis the results of comparisons of non-expatriate total compensation, ICSC reviewed the level of the total compensation margin. It noted that, based on the methodology in use since 1981, the non-expatriate total compensation margin stood at 111.7 as of June 1988. It decided to report that figure to the GA *[A/43/30, paras. 25 and 26]*.

1989 **30th session (August)**: ICSC considered, in the context of the comprehensive review, the role of total compensation comparisons in establishing appropriate remuneration policy. It recalled that comparisons with the comparator had been made annually on the basis of both net remuneration and total compensation using non-expatriate benefits. All recent GA decisions with regard to the margin had been made in the context of net remuneration. At the same time, the Assembly had requested ICSC, on a number of occasions, to develop a methodology for the comparison of total compensation or total entitlements. In assessing whether the margin should be determined in relation to net remuneration or total compensation, or both, ICSC noted that the value of the net remuneration and pension element in the current non-expatriate total compensation comparison, on both sides of the comparison, was well over 90 per cent of the entire non-expatriate remuneration package. Since net remuneration was currently being measured separately, the current total compensation comparison methodology represented, largely, a comparison of pension schemes, although health insurance and life insurance/death grant benefits were also included. It had therefore been argued that, for the total compensation methodology to become useful, expatriate benefits should be included.

In that context, pensions and net remuneration became less significant elements of total compensation, representing approximately 70 per cent of the remuneration package. The majority of ICSC members considered that, in the framework of an overall system for the measurement and the management of the remuneration system, those two approaches could be seen as mutually complementary. Net remuneration comparisons could be used for ongoing measurements between the United Nations and

the comparator, while total compensation comparisons could be applied in periodic checks for competitiveness *[A/44/30, vol. II, paras. 155-157]*.

ICSC noted that it had been reporting the non-expatriate total compensation margin to the GA since 1981. Accordingly, notwithstanding its recommendations on the comprehensive review, it decided to take note of the non-expatriate total compensation margin of 110.1 for the period October 1988 to September 1989 and to report this margin to the GA *[A/44/30, vol. I, para. 72 and annexes II and III]*.

2005 **60th session (March):** ICSC commenced its periodic Noblemaire study by reviewing data collected by its secretariat as part of phase I of the study. The Commission noted that the phase I analysis resulted in the identification of a number of civil services which could be considered for the phase II analysis, namely, the national civil services of Belgium, Germany, Singapore and Switzerland. The Commission therefore decided that it would: (a) proceed with a phase II study of the Belgian, German, Singaporean and Swiss national civil services in the context of determining the highest paid national civil services; (b) proceed to collect information on the remuneration levels of the World Bank and the Organization for Economic Cooperation and Development (OECD) as a reference check only; (c) request its secretariat to provide it with a progress report at its sixty-first session on both (a) and (b) above so that it could report to the General Assembly *[A/60/30, para.212]*.

61st session (July): The secretariat reported on its further progress on the study, noting that it was presenting additional information with respect to Germany, Singapore and Switzerland and had yet to collect information from Belgium and the organizations identified for the reference check. The additional information presented showed that: (A) with regard to Germany: (i) the issue of collecting data in both Bonn and Berlin would need to be resolved since portions of the German civil service are located in each of those cities; (ii) the issue of lower civil service salaries for ministries located in the former East Germany would need to be resolved (salaries in ministries located in the former East Germany are 92.5 per cent of what they are elsewhere in the country); (iii) pay adjustments for the civil service have lagged behind inflation; (iv) with the recent introduction of a pay and benefits reform package, which introduced pay for performance and other reforms on a cost-neutral basis, existing benefits have been reduced, as exemplified by: (a) a drastic reduction in pension benefits (although maintaining the non-contributory nature of the pension plan); (b) health insurance now requiring 50 per cent cost coverage by staff; (c) weekly work hours increasing from 38.5 to 40. (B) with regard to Switzerland, a comprehensive review of the civil service has been conducted in recent years, resulting in: (i) the categorization of all staff as contract employees; (ii) the elimination of all automatic increases; (iii) all salary increases now being driven by performance; (iv) salary increases below the inflation rate in recent years; (v) the abolition of all movement through the grade structure (grade assigned at recruitment is retained); (vi) movement away from a defined-benefit pension plan to a defined contribution plan; (vii) no change in health benefits, i.e., civil servants pay all contributions, as they did in 1995; (viii) a work week of 42 hours. (C) with regard to the Singaporean civil service, a major restructuring of the civil service was initiated in 1994, resulting in: (i) the establishment of the "clean" salary concept based on performance measurements, i.e., salaries competitive with the private sector for high performers, with however, a minimalist approach to benefits and allowances; (ii) allowances only for specific and limited circumstances, e.g., unpleasant working conditions; (iii) a provident pension fund with no disability or death coverage and ad hoc adjustment of pension benefits; (iv) a reduced leave plan, introduced in 2004, with a maximum of 18 days for workers with less than 10 years of service and 21 days for those with 10 years or more of service; (v) a basic medical plan integrated with social security *[A/60/30, para. 214]*.

Based on the above considerations, the Commission decided to (a) to take note of the progress made thus far in the study; (b) to discontinue any further study with regard to Germany, Singapore and Switzerland; (c) to continue the study with regard to Belgium; (d) to continue the reference check with

regard to the World Bank and OECD; (e) to request its secretariat to provide a further progress report on this item at its sixty-second session *[A/60/30, para. 226]*.

In **resolution 60/544**, the GA decided to defer to its resumed sixtieth session consideration of the report the International Civil Service Commission for the year 2005.

2006 **62nd session (March):** The Commission reviewed details of the Belgian civil service total compensation package on the basis of *ICSC/62/R.11* and *ICSC/62/CRP.5*; the former was based on information available from Belgian government sources, the latter on meetings with Belgian government officials. As concerns the remuneration elements described in *ICSC/62/CRP.5*, the Commission noted that the comparison followed the preliminary approach and therefore compared salaries only at the bottom and top of the range of United States grades currently reflected in net remuneration margin comparisons (specifically, the minimum net salary at GS-9 of the regular pay scale and the maximum salaries of the United States Senior Executive Service as compared to the approximate equivalent levels and salaries of the Belgian civil service). Some members stated that the equivalent levels selected for the Belgian civil service were not comparable, particularly at the minimum. It was further noted that occupations in the United States civil service that were identified as critical or special, such as those identified by the Belgian civil service were not at the GS-9, step 1, of the regular pay scale. Such occupations were covered by specialized pay tables that were at a much higher rate of pay than the GS-9 regular pay scale. Therefore, these members concluded that it was inappropriate to compare Belgian's critical occupations (at Rank 2) with the US regular pay scale GS-9, step 1. It was therefore considered more appropriate that rank 1, reflecting entry-level university graduates, would be the correct minimum level to be compared to the United States minimum level of GS-9, step 1 *[ICSC/62/R.14, para. 137]*.

The Commission considered the proposal that the cycle of Noblemaire studies be increased from the current 5-year cycle to 10 years. It was noted that the previous Noblemaire exercise had concluded in 1995, requiring the next cycle to commence in 2000. However, due to competing work requirements, the current Noblemaire study was commenced in 2005. Some members considered that the issue should be addressed at the conclusion of the current exercise [*ICSC/62/R.14, para. 140]*.

The Commission decided to postpone the consideration of the item to its sixty-third session, where it expected a revised consolidated report reflecting the substance of *ICSC/62/R.11* and *ICSC/62/CRP.5* [*ICSC/62/R.14, para. 141*].

63rd session (July): ICSC noted that the Noblemaire total compensation comparison was encompassed in a specific algebraic formula which set the total compensation package of the current comparator civil service equal to that of the civil service being evaluated as a potential replacement service. The formula was then solved to determine which civil service is better on a total compensation basis. Because the exercise was preliminary in nature, mathematical conclusions could not be drawn. Based on the study, ICSC therefore noted that the current comparator had significantly higher salary levels, while the Belgian civil service had more favourable provisions for leave/holidays/work hours and a more costly pension plan. Based on available information, health benefits were assumed to be approximately equal *[A/61/30, para.131]*.

The Commission decided that on the basis of the above information not to proceed to a phase II study for Belgium and to conclude its current Noblemaire study by noting that the current comparator would be retained *[A/61/30, para.144]*.

Under its mandate, ICSC periodically reviewed the application of the Noblemaire principle by studying the total compensation packages of national civil services that could potentially replace the

current comparator in its role as the reference civil service in determining the appropriate levels of remuneration for the United Nations common system. The Commission commenced the current review at its sixtieth session in 2005, when it decided to include, as it had done at the time of the prior Noblemaire study, a reference check on the remuneration levels of the World Bank and the Organization for Economic Cooperation and Development (OECD**)** *[A/61/30, para. 145*]**.**

The Commission decided to report to the General Assembly that it had conducted an update of the 1995 reference check with the remuneration levels of both the World Bank and OECD as part of its current Noblemaire study and had found that these organizations were approximately 29 per cent ahead of the United Nations common system [*A/61/30, para. 156*].

In **resolution 61/239** the General Assembly took note of the Commission's decision to conclude its current total compensation study and to retain the current comparator.

SECTION 2.1.60
SALARY SCALES

1972 At its **27th session**, when the GA decided in principle to establish ICSC, it also decided to refer to ICSC, once established, the report of the Special Committee for the Review of the UN Salary System. When ICSC was established at the 29th session (1974), the GA requested it, in resolution 3357 (XXIX), "to review, as a matter of priority, the UN salary system in accordance with the decision in paragraph 5 of GA resolution 3042 (XXVII), and to submit a progress report to the Assembly at its 30th session" *[A/10030, para. 25]*.

ICSC began the review by a general consideration of some of the aspects of the salary system which had been singled out in the report of the Special Committee and elsewhere as giving rise to problems. ICSC agreed that it would not be appropriate for it to reach decisions on specific points until it could form an idea of the total package of remuneration and other conditions of service. It soon became clear to ICSC that there existed a close interrelationship between the different elements of remuneration, which was the determining factor in the organizations' ability to attract and retain staff of the calibre required *[A/10030, para. 28]*.

1976 **3rd session (March)**: ICSC concluded that no change should be made in the existing structure of categories. It noted for further study: (a) policy regarding promotions from the GS to the P category; (b) the optimum ratio of GS to P posts; (c) "local (or national) Professionals" and other special categories; (d) criteria for differentiating between senior GS and junior P posts *[A/31/30, para. 48]*.

The consensus of ICSC was that no change should be made in the number of grades in the P and higher categories. It noted for further study the possible extension of the practice, already existing in WHO, of designating certain very high-level technical posts, above the P-5 level but not carrying directorial responsibilities, as P-6, with a salary level the same as that of the D-1 grade. ICSC also noted for further study the question of a possible increase in the number of steps in some grades, possibly with a change in the length of service required for accession to the higher steps *[A/31/30, paras. 116 and 117]*.

ICSC concluded from the information given by the organizations that, although difficulties were experienced in recruiting certain types of specialists and from certain countries, the existing level of remuneration in general proved adequate for purposes of recruitment and retention of staff *[A/31/30, para. 180]*.

Having regard to its conclusions that: (a) the desired degree of differentiation between the total net remuneration of staff members of the P and higher categories with dependants and that of those without dependants should, in future, be achieved mainly through differentiated rates of staff assessment; (b) the remuneration of staff members with dependants should, in general, be maintained without change; (c) four or five classes of PA should be incorporated into base salary, ICSC recommended that the GA should: (i) adopt, with effect from 1 January 1977, revised scales of staff assessment, gross and net salary and rates of PA; (ii) authorize the payment to staff members whose total net remuneration would, by the application of these scales, be less than under the existing scales, of the difference, as a temporary, transitional measure, ICSC being authorized to determine the modalities for the gradual absorption and ultimate elimination of such transitional payments; (iii) decide that the existing scale of pensionable remuneration be maintained temporarily where it was higher than the revised level of pensionable remuneration until such time as it was overtaken by the new level following an adjustment by the movement of the WAPA index; (iv) decide that terminal

payments expressed in terms of base pay should be expressed in terms of pensionable remuneration less staff assessment *[A/31/30, para. 247 and annexes I, III, IV, V (corrigendum), VII and VIII]*.

By **resolution 31/141 B**, the GA: (a) decided to consolidate the equivalent of five classes of PA into the base salaries of the P and higher categories; (b) approved the revised scales of staff assessment rates, PA rates and gross and net salaries for the P and higher categories; (c) authorized temporary transitional payments, not to be pensionable, to be made to staff members whose remuneration under the revised scales would be less than under the existing scales, the amounts of these payments and the modalities for their gradual reduction and ultimate elimination to be determined by ICSC; (d) decided to abolish for the P and higher categories the existing allowance for a dependent spouse, the prevailing amount of the allowance being incorporated into the revised base salary.

1981 By **resolution 35/214 A**, the GA decided to consolidate 30 points of PA into base pay, with effect from 1 January 1981, in conformity with the ICSC recommendation resulting in the salary scales (gross and net), PA schedules and scales of staff assessment and pensionable remuneration as set forth in the ICSC report.

1982 **16th session (July)**: CCAQ introduced a document which had been unanimously adopted by the executive heads at the July 1982 ACC meeting. ACC could no longer delay presenting to ICSC and to the legislative bodies a recommendation for an increase in the level of salaries of the P and higher categories. ACC considered that the periodic review of the level of remuneration, which was an integral part of the salary system intended to permit correction of the effect of the regressive feature of the PA system, should not be further postponed, considering that 8 years had elapsed since the last salary adjustment (which was interim), whereas previously such adjustments had been made on average every 4 years. The delay was seen by the staff as an unfair interference with the normal working of the salary system *[A/37/30, para. 107]*.

In considering this recommendation, the majority of ICSC members favoured an increase in salaries for staff in the P and higher categories. Others viewed the increase as one to restore purchasing power since 1975 and favoured an increase of 3 per cent. In view of ICSC's inability to reach a consensus on the size of the increase, several members proposed that the decision on this issue be left to the Fifth Committee. Accordingly, it was agreed to transmit the above views for consideration and decision by the GA *[A/37/30, para. 118]*.

By **resolution 37/126**, the GA requested ICSC to review further the basis for the determination and level of remuneration of the P and higher categories, with a view to making recommendations thereon to the GA at its 39th session, and thereafter periodically, on the level of remuneration.

1984 **20th session (July)**: ICSC received a statement adopted by ACC, at an extraordinary session held in July 1984, on three major issues of personnel policy simultaneously confronting the UN common system. It was noted that after reviewing all elements of the situation, ACC considered that its 1982 recommendation for an increase in the salaries of staff in the P and higher categories continued to be justified.

In addition, the ICSC secretariat provided information to ICSC, at its request, on the "Special rate programme" of the US Government, under which the US Government provided higher pay rates for approximately 34,000 US civil service staff in certain positions. The special rate programme, administered by the US Office of Personnel Management (OPM), was established by the Federal Salary Reform Act of 1962. The law authorized the US President to increase basic rates of pay upon a finding that private enterprise pay rates substantially exceeded government rates and significantly handicapped the Government's ability to recruit or retain well-qualified individuals. Most of the occupations identified were engineering or health-care occupations, although many of these were at a

grade lower than GS-9. Officials at OPM estimated that two thirds of those special rates would be eliminated if the US Government applied full pay comparability with the US private sector. Although full pay comparability with the private sector was not applied under the special rate programme, salary rates were increased to a point where recruitment and retention problems were within acceptable ranges. Under the special rate programme, the General Schedule salary scale was used as the basis for constructing 9 additional steps beyond the 10 normally included in that General Schedule scale *[A/39/30, paras. 110 and 111]*.

In the absence of clear and definitive information on the provision by the US Government of higher pay rates to some members of the US Federal Civil Service staff, and in view of the fact that the application of the new PA classification to the base city could increase the margin in the future between the remuneration of the UN staff in the P and higher categories in New York and that of the US Federal Civil Service in Washington, D.C. to the order of 124, ICSC decided that there was no justification for any increase in the existing levels of the remuneration of the P and higher categories for the time being *[A/39/30, para. 117]*.

ICSC next undertook an examination of the current levels of gross salaries and the amounts used for pensionable remuneration and those used for the determination of separation payments with a view to keeping the costs relating to consolidation to the bare minimum. It decided that no changes with the exception of those referred to above should be made in the rates of staff assessment at the present time. If a part of PA were consolidated into base salary and if the resulting net salaries were grossed up using the current staff assessment formula, the resulting gross salaries would be higher by varying percentages than the corresponding amounts of gross salaries applicable currently. If a fixed relationship between the post-consolidation gross salaries and the amounts of pensionable remuneration used for the determination of separation payments were to be maintained, and if no losses in the amount of pensionable remuneration used for the determination of separation payments were to be experienced by any staff member, then gains in the amounts of pensionable remuneration used for the determination of separation payments, would result for some staff members, thus leading to additional costs relating to consolidation. In this regard, ICSC observed that the GA, by resolution 35/215 (1980), had approved the dual mechanism for adjusting pensionable remuneration amounts by the application of WAPA or CPI or both, as appropriate. By decision 36/459 (1981), the GA had also approved the mechanism for adjusting the amounts used for the determination of separation payments by the application of the WAPA index. Inasmuch as these two scales had their own adjustment procedures, and in order to avoid further increases in the amounts of pensionable remuneration used for the determination of separation payments at some levels, ICSC decided that there was no need to maintain a fixed relationship between post-consolidation gross salaries and the amounts of remuneration used for the determination of separation payments *[A/39/30, paras. 129 and 130]*.

The GA in **resolution 39/27** decided to consolidate 20 points of PA into base salary, with effect from 1 January 1985 in conformity with the ICSC recommendation in its report *(A/37/30)* thereby establishing the salary scales (gross and net), PA schedules and scales of staff assessment as set forth in the report.

1986 **23rd and 24th sessions ((March and July)**: In response to GA resolutions 38/233, 39/246 and 40/245, ICSC examined the levels and other aspects of pensionable remuneration for the P and higher categories. In this connection, it recommended to the GA for approval, *inter alia*, revised scales of staff assessment contained in annex I to A/41/30 for implementation with effect from 1 April 1987. As a consequence, it recommended revised scales of base salaries (gross and net after the application of staff assessment rates at the single rates) and separation payments *[A/41/30, annexes I, X, and XI]*.

The GA, by **resolution 41/207**, approved the recommended revised scales.

1987 **<u>26th session (July)</u>**: In connection with a request by the UN for the consolidation of 20 points of PA into base salary *(see section 2.1.80)*, ICSC recommended proposed salary scales showing annual gross salaries and net equivalents at the dependency and single rates *[A/42/30, annex VII]*.

In **resolution 42/221**, the GA approved the above recommendations.

1989 **<u>30th session (August)</u>**: As part of the comprehensive review of conditions of service of the P and higher categories *(see section 2.1.90)*, ICSC undertook a detailed analysis of the competitiveness of the UN salary system *(for details, see section 2.1.10).* On the basis of this analysis, the majority of ICSC members were of the view that a general improvement in salaries for all staff was justified at this time. ICSC therefore decided to recommend to the GA that a 5 per cent across-the-board increase in salaries for the P and higher categories of staff should be granted in 1990 *[A/44/30, vol. II, para. 116]*.

In conjunction with this general improvement in the level of remuneration, ICSC considered the question of minimum base salary levels for the system. It was of the view that it would be appropriate to establish minimum base salary levels for the system at more meaningful levels than were currently applicable. In this regard it noted that the GA had requested ICSC to use the non-diplomatic expatriate staff of the comparator civil service as a general point of reference. Consequently, it would be both appropriate and desirable to establish minimum base salary levels in line with the minimum amounts applicable to comparator civil service employees when they were stationed abroad. Bearing this in mind and the recommendations it was making for, *inter alia*, improvements in the functioning of the PA system *(see section 2.1.70)* and the introduction of a new mobility and hardship scheme *(see section 3.80)*, ICSC decided to recommend to the GA the establishment of **base/floor salary** levels that would be approximately equal to current net base salaries plus 17 points of PA. The majority in ICSC was of the view that the recommendation concerning an across-the-board increase in salaries of 5 per cent, along with those concerning the establishment of base/floor salary levels, could be incorporated into a revised scale using the following procedures: (i) the current net base salaries should be **1989** increased by incorporating approximately 12 points of PA on a no-loss/no-gain basis; (ii) the resulting net base salaries should be increased by 5 per cent on an average basis; (iii) the net base salary should be grossed up using the current rates of staff assessment for those with a primary dependant; (iv) these gross salaries should be netted down by the application of the current rates of staff assessment for those without a primary dependant to arrive at net base salaries for such staff; (v) as it was proposed to eliminate all regressivity in the amounts of PA per index point *(see section 2.1.70)*, the current schedule of PA amounts per index point would no longer be necessary. The amount of PA per index point at a given grade and step would be equal to 1 per cent of net base salaries for those with and without dependants at the same grade and step *[A/4430, vol. II, paras. 116-120]*.

ICSC considered that in arriving at a scale meeting the above criteria, the following considerations regarding the desirable characteristics of a salary scale should be taken into account: (a) the value of annual increments (step values) should be reduced; (b) the point in the salary grade at which overlap occurred with the next higher grade should be raised; (c) a number of steps should be added at the top of each grade at the P-2 to D-2 levels, but these should be granted every two years; (d) the step I values of the grades should be increased, especially those at grades P-1 to P-3, to render the United Nations system more competitive on recruitment; (e) aberrations in the existing scale should be eliminated by: (i) making the average value of a step in each grade at least higher than the value of the step in the next lower grade; (ii) making inter-grade differentials descend as the grade increased; (iii) establishing salary spans that widened from grades P-1 to P-4 to reflect the distribution of staff at those levels, then decreased from levels P-4 to D-2 to reflect staff patterns at those levels; (f) if step values were

changed, care should be taken to ensure that the last step of the new scale was never less than the last step of the present scale.

ICSC also decided to recommend that the organizations modify their promotion policies to ensure that upon promotion the staff member was placed at a step in the higher grade representing no less in monetary terms than the value of two steps in the staff member's present grade *[A/44/30, vol. II, paras. 356-357].*

Also in the context of the comprehensive review and in connection with the separation of the effects of currency fluctuations and inflation *(see section 2.1.70 - post adjustment),* ICSC considered the option of the **establishment of separate salary scales in local currency for hard currency duty stations.** In this regard, it considered two possibilities: (a) the establishment of two poles for the system (New York and Geneva or one other hard currency duty station); (b) the establishment of local currency scales for several hard currency duty stations (or multi-base system). Under the first approach, the salaries of designated hard currency duty stations would be expressed in the currency of the base other than New York. The second would involve a number of separate salary scales being expressed and paid in local currency. ICSC noted that GA resolution 43/226 provided that a single world-wide salary scale should be a fundamental goal of the remuneration system.

Although that did not explicitly preclude the establishment of more than one salary scale, such an approach was to be considered with caution and pursued only if it could be convincingly demonstrated that it had clear advantages. Having weighed the pros and cons of the options, ICSC decided that the possible use of separate salary scales for hard currency duty stations should not be pursued *[A/44/30, vol. II, paras. 239-246].*

By **resolution 44/198**, the GA approved the establishment of a floor net/base salary scale, revised rates of staff assessment and revised scales of gross and net salaries for staff in the P and higher categories, to take effect from 1 July 1990. The revised salary scale was constructed through a combination of: (a) consolidation of 12 PA multiplier points on a no-loss/no-gain basis; (b) elimination of regressivity in the PA system; (c) introduction of structural changes in the scale; (d) inclusion, on an overall average basis, of the 5 per cent remuneration adjustment recommended by ICSC. At the base of the system, the revised PA multiplier applicable on 1 July would be determined so as to arrive, on an overall average basis, at a 5 per cent increase in total emoluments (net base salary plus revised PA). At all other duty stations, the revised PA multipliers applicable on 1 July 1990 would be determined so as to arrive at total net emoluments, representing an adjustment equivalent in amount to that applicable of the base of the system. After 1 July 1990, at each duty station, the first change in PA classification resulting from COL movement would take place when the PAI applicable prior to the introduction of the scale reached the level that would have triggered the next full class of PA under the operation of the PA system. Thereafter, changes would be effected on the basis of the movement of the revised PA index. *(Details on the construction of the scale, and implementation measures are given in annex III to the resolution).*

1990 **32nd session (July/August)**: ICSC noted that US Federal Civil Service base salaries had been increased by 3.6 per cent on 1 January 1990, and a further increase of around 4 per cent was anticipated as of 1 January 1991. An adjustment would also be required in view of changes in the comparator's tax calculation procedures. It therefore considered that it would be inappropriate to maintain the base/floor salary scale at its current level. It considered, however, that increases in the base salary scale should reflect comparator salary increases that had taken effect, not anticipated increases. ICSC accordingly decided to recommend to the GA that the base/floor salary scale should

be increased by 8.5 per cent through consolidation of PA classes. The resulting scale should be implemented from 1 March 1991.

ICSC would review in future the base/floor salary scale in the light of the changes in comparator salaries and the relevant rates of taxation and consider making recommendations to the GA as appropriate *[A/45/30, paras. 206-208]*.

By **resolution 45/241**, the GA approved, with effect from 1 March 1991, a 5 per cent increase in the base/floor salary scale (rather than the ICSC recommendation of 8.5 per cent). The GA also reiterated its request that ICSC report to the GA at its 47th session on the operation of the mobility and hardship allowance and, in particular, on the evolution of the mobility and hardship allowance in reference to equivalent allowances granted by the comparator and in relation to the base/floor salary itself.

1991 **34th session (August)**: CCAQ drew the attention of ICSC to the fact that the comparator's net base salary was 8.6 per cent higher than the UN level. (This shortfall reflected the 4.1 per cent increase granted to the US Federal Civil Service in January 1991 and the balance of tax changes which had not been previously taken into account in 1990.) ICSC was also informed that, as a result of US legislation, federal civil service salaries would be further increased on 1 January 1991 by some 4.2 per cent. Hence, if no action were taken to increase the base/floor scale the cumulative shortfall between UN and US levels as of January 1992 would be 13 per cent *[A/46/30, vol. I, para. 119]*.

ICSC decided to recommend to the GA that the base/floor salary scale should be increased, through consolidation of PA classes, by 8.6 per cent. The resulting base/floor salary scale and associated staff assessment scale would be implemented from 1 March 1992. ICSC noted that its commitment to report on the operation of the mobility and hardship scheme to the GA in 1992 should not influence the timing of the increase in the base/floor salary scale, to which the scheme was directly linked *[A/46/30, vol. I, paras. 124-127]*.

By **resolution 46/191**, the GA approved, with effect from 1 March 1992, a revised scale of gross and net salaries for staff in the P and higher categories reflecting a 6 per cent increase through consolidation of PA points in the base/floor salary scale and revised tables of staff assessment. The GA also recalled its request to ICSC to report at its 47th session on the operation of the mobility and hardship allowance and the assignment grant and further requested ICSC to include in its report a cost-benefit analysis of the operation of the mobility and hardship allowance, as well as an assessment of the personnel management benefits and details of savings achieved in other administrative costs with the introduction of the current arrangements.

1992 **36th session (August)**: ICSC recommended to the GA that the current base/floor salary scale should be increased by 6.9 per cent through consolidation of PA classes, with effect from 1 March 1993 *[A/47/30, para. 118]*.

ICSC also considered proposals by CCAQ and FICSA concerning the conditions of service of the P and higher categories. The CCAQ proposals were in response to the following ACC initiatives: (a) at its April 1992 session, ACC decided to propose to the GA, through ICSC, increases of 3 per cent and 5 per cent at the "D" levels of the salary scale; (b) in decision 1991/9 ACC requested CCAQ to submit concrete proposals to ICSC in 1992 on new approaches to conditions of employment of staff in the P and higher categories with a view to having the matter considered for submission to the GA as soon as practicable.

Pursuant to (a) above, CCAQ was presenting ICSC with a proposal to increase net remuneration at the D-1 and D-2 levels by 3 per cent and 5 per cent, respectively, with effect from 1 March 1993. Those

increases were proposed in the context of structural problems with the current salary scale *[A/47/30, paras. 154 and 155]. Regarding (b), see section 2.1.140 (other salary matters), for further details.*

ICSC considered the following studies, prepared by FICSA, which compared the UN common system P salary and pensions scheme to those of other international organizations: (a) a comparison between UN P salary and pension structures and those of other large international organizations which competed for the same type of staff in the professional job market (the European Community, OECD and the World Bank); (b) the decline in the purchasing power of common system salaries between 1975 and 1992 had been analysed in detail for most headquarters duty stations. Other studies by FICSA had examined the FEPCA, the use of special rates in the comparator and their implications for the common system and the deterioration in pensionable remuneration and pensions in the UN common system. A further study by FICSA, still to be finalized, compared UN employment conditions with the salary, allowances and other benefits provided by private international companies *[A/47/30, para. 158]*.

With regard to the FICSA documents, ICSC considered that, although information on the non-competitiveness of the common system was provided in great detail, it could be concluded that, rather than being an uncompetitive employer, the common system was merely less competitive than the international organizations to which it was compared. ICSC noted that its secretariat had also submitted a report on comparisons with international organizations in response to an ACC request and had concluded, like FICSA, that some international organizations paid higher net remuneration levels than those of the common system *[A/47/30, para. 167]*.

As to the CCAQ proposal for an increase in the net remuneration of levels D-1 and D-2, ICSC noted that certain technical aspects required further consideration. It considered that the proposal needed detailed study in a broader context. It was therefore not in a position to submit a recommendation to the GA at this stage *[A/47/30, paras. 171 and 176]*.

In **resolution 47/216**, the GA approved the recommended increase in the base/floor salary scale. The GA invited ICSC to continue to keep under review the structure of the salary scale at all levels of the P and higher categories, taking into account, *inter alia*, the overall level of the margin as established by the GA and the imbalance between the margin levels for different P grade levels, and to report thereon to the GA at its 49th session.

1993 **38th session (July)**: ICSC recommended to the GA that the current base/floor salary scale should be increased by 3.6 per cent through consolidation of part of PA, with effect from 1 March 1994 *[A/48/30, para. 120]*.

By **resolution 48/224** the GA: (a) approved the revised scales of gross and net salaries recommended in the ICSC report; (b) requested ICSC to review and, if necessary, recommend revised scales of staff assessment consequential upon changes in the base/floor salary scale. By the same resolution, the GA, noting from the ICSC report (annex VIII) that UN/US remuneration ratios ranged from 186.0 at the P-1 level to 116.5 at the D-2 level, considered that this imbalance should be addressed in the context of the overall margin considerations established by the GA and reiterated its request to ICSC in resolution 47/216 to make proposals in this regard to the GA at its 49th session.

1994 **39th session (February)**: In the context of its review of the application of the Noblemaire principle, ICSC considered a preliminary analysis by the secretariat of various issues relating to the **structure of the salary scale** *(ICSC/39/R.4/Add.5)*. A description was provided of the structure of the current scale in the context of changes recommended by ICSC as part of the 1989 comprehensive review. The current structure of the scale as it related to that of the comparator was also detailed. The question of imbalance in the UN/US remuneration ratios at different grades of the scale was also analysed in

accordance with the mandate of the 47th and 48th sessions of the GA. It was emphasized in the document that a salary scale structure was not an end in itself, but derived from a series of policy and programme considerations and needs. A clear understanding of the organizations' current requirements in that regard would be essential to the development of further work. A first attempt had been made in the paper to address a number of issues and options. Those options, which were not mutually exclusive, included making greater use of the P-1 grade; increasing the number of grades (by adding one or more grades either in the middle of the scale, or at the top of the scale), and the feasibility and desirability of creating a Director category distinct from the P and higher categories. The management of the grade structure was analysed from the angles of the number, value and periodicity of step increments and the possible introduction of modifications through the salary adjustment process. A brief description of new trends in remuneration, i.e., performance pay, broad banding and competencies, which could have an impact on salary scale structure considerations, was also provided in the document *[ICSC/39/R.10, paras. 113-114]*.

CCAQ noted that it was currently embarked on some major proposals in respect of the introduction of a Director or managerial category of staff. Those proposals, which would be further elaborated for submission to ICSC at its summer 1994 session, marked the first step to establishing greater performance awareness and orientation in the organizations. At the current stage, the proposals pertained essentially to one category; that did not imply that they could not be applied to other categories of staff. The key elements of the proposals were: (a) to distinguish managerial jobs that were at the current D-1 and D-2 levels; (b) to revise the contractual arrangements for those managerial jobs; (c) to introduce rigorous performance appraisal standards based on predefined job goals and on management competencies; (d) to remunerate staff in the managerial category on the basis of performance, including the award of non-pensionable lump-sum bonuses to the very best performers; (e) to introduce a P-6 grade level to accommodate posts currently graded D-1 that were not managerial in nature; (f) to develop a training and briefing programme to accompany the introduction of that new category. A briefing document containing details of the proposals was circulated to ICSC *[ICSC/39/R.10, paras. 115-120]*.

CCAQ stated that it no longer saw any organizational need to support the option of adding one or more grades in the middle of the scale. On the other hand, it supported the introduction of a P-6 grade equal to D-1, for posts without managerial responsibility.

ICSC noted that a final determination as to what, if any, action would be required on structural issues could be made only after some of the other items related to the application of the Noblemaire principle had been resolved. These issues had been brought forward at the current stage mainly in order to avoid a recurrence of what had happened in previous reviews, when the practical implications of structural changes had prevented otherwise desirable reforms being undertaken. At the same time, ICSC fully shared the view expressed that the common system salary structure should not be a clone of the comparator's structure, since it needed to respond to certain internal and external needs, irrespective of which comparator was selected.

ICSC considered that the first step in determining whether the current structure of the salary scale met the needs of the organizations and staff would be to ascertain what those needs were and whether they had changed over time. As to problems that had been raised in the present instance, these appeared to be basically two: one was the imbalance, noted by the GA and the organizations, in UN/US remuneration ratios at the top and bottom of the P salary scale. That issue had been addressed, at least in part, by the ICSC's decision on the methodology for margin calculation *(see section 2.1.40)*. The second, noted by organizations and staff, was that of limited career prospects. ICSC recalled that, as recently as 1989, the organizations had considered that the problem could be addressed by adding a grade in the middle of the P salary scale. It noted the current view of organizations and staff on various

structural matters, including the view that the problem lay with the level of remuneration rather than with the structure of the salary scale.

ICSC noted with interest the CCAQ proposals on managerial effectiveness and accountability. It considered that there was a linkage between any proposals made in respect of the D-1 and D-2 levels and the still outstanding proposals that ICSC had made in 1992 in respect of the ASG/USG and equivalent levels. In respect of levels above D-1 and D-2, ICSC also noted that the proposal for the establishment of a D-3 level, which had been put forward by the UN during the 47th session of the GA, appeared now to have been overtaken by events. ICSC concluded that it was not in a position at the current stage to provide specific guidance on issues relating to the structure of the salary scale, in view of the interlinkages with other aspects of the item, as well as with the CCAQ proposals. The question of imbalance in the scale as reflected in margin calculations for P-1s and D-2s was, however, noted to be an important issue on which the GA expected a report in 1994 outlining corrective proposals. ICSC decided to revert at its summer 1994 session to structural issues, including the imbalance in the scale, in the context of its review of the Noblemaire principle *[ICSC/39/R.10, paras. 126-133]*.

40th session (June/July): The question of imbalance in the UN/US remuneration ratios at different grades of the scale was considered in the context of the much higher UN/US remuneration ratios for P-1 and P-2 grades compared to D-1 and D-2 grades *(ICSC/40/R.5/Add.4 and ICSC/40/CRP.5)*. As part of its review, ICSC also examined the salary scale structure of the comparator. It decided to report to the GA that: (a) pursuant to the request in GA resolution 47/216 it had reviewed the structure of the salary scale; (b) this review had been undertaken against the background of a review of the application of the Noblemaire principle that would not be completed until 1995 *(see section 2.1.10)*; (c) the salary scale structure review had indicated that the imbalance for different P grade levels arose from a combination of apparent and real factors; (d) the imbalance resulting from the inappropriate use of regression analysis and square-root weighting in margin calculations had been corrected *(see section 2.1.40)*. Some further elements of imbalance had been identified in connection with the use of GS-7 grade equivalencies and these would be addressed in the context of a grade equivalency study to be undertaken in 1995; (e) the remaining causes of imbalance were recognized to be specific to margin calculations *vis-à-vis* the current comparator and might not be significant in the case of other comparators. Accordingly, the remaining imbalance could not be addressed until the ongoing study to identify the highest paid national civil service was completed *(see section 2.1.20)*; (f) the opportunity for revising the construction of the UN pay scale would only arise upon the implementation of a "real" pay increase *[A/49/30, paras. 122-123 and 140]*.

In view of a further 4.23 per cent movement of US Federal Civil Service salaries in 1994, ICSC considered that an adjustment of the common system scale of 4.1 per cent would be necessary in 1995 in order to keep the base/floor salary scale in line with the comparator's scale. It therefore recommended to the GA that the current base/floor salary scale should be increased by 4.1. per cent through consolidation of an equivalent element of PA, with effect from 1 March 1995 *[A/49/30, paras. 172-173 and 177]*.

In **resolution 49/223**, the GA approved this recommendation.

1995 **41st and 42nd sessions (May and July/August):** ICSC considered salary scale issues in relation to both the level and the structure of the salary scale (ICSC/42/R.11). The first consideration was a routine one arising from this introduction of the base/floor concept with effect from 1 July 1990. ICSC was informed that a 3.089 per cent adjustment of the common system scale would be necessary in 1996 in order to keep the base/floor salary scale in line with the comparator's scale. It was indicated

that any restructuring of the common system scale would need to be anchored around the salary scale mid-point (P-4/VI dependency rate).

Documentation analysing the possibilities for restructuring the common system salary scale assumed that an increase would be recommended without consolidation. ICSC was reminded that there were two main mandates from the GA of relevance to the structure of the salary scale. The first was the request in resolution 43/226 (1989), that consideration be given to enhancing rewards on promotion while reducing financial rewards for longevity. The second mandate arose from resolution 47/216 (as reiterated by resolution 48/224) (see above). An initial report had been made to the GA at the 49th session, and the review currently under way was anticipated to lead to the submission of a final report. It was recalled that the margin imbalance had been partly corrected over the past few years, but some considerable progress still remained to be made *[A/50/30, paras. 198-201]*.

ICSC was informed that past considerations of salary scale structure had provided a wide range of options for changes in the number and level of grades and steps of the salary scale. Associated with this had been proposals for changing the conditions under which staff proceed through the salary scale. However, as a salary scale was not an end in itself, it was necessary to reconsider the fundamental purpose of a scale so as to ensure that results met the needs of the common system. Accordingly, the remuneration philosophy of the common system required review before specific proposals could be made for revision of the salary scale to change the emphasis of the pay system between responsibility (job levels), seniority and other factors. In this regard it was observed that certain new trends in remuneration practices in the outside world could be pursued by a number of instruments, including the use of performance pay, broadbanding and competencies. However, it was apparent that most of those potential changes were not ripe for decision at the present time. Thus while the appropriate balancing of factors (job levels and seniority) within the existing remuneration philosophy of a rank-in-post system could be discussed, there was little realistic basis to expect radical change in the near future towards a full performance-based merit pay system which significantly discounted seniority factors. The questions remaining came down to an examination of appropriate intergrade and interstep differentials, bearing in mind the overall salary range (minimum to maximum) that would be required to accommodate these and to define appropriate career development expectations. It was reported that over time the salary scale had become very compressed as an unintended side effect of PA consolidation. This phenomenon had been accompanied by a reduction in the size of intergrade differentials and an increase in the maximum number of steps from 10 to 15. The consequence of this was that the rewards for promotion ***vis-à-vis*** seniority had been progressively eroded over a 30-year period.

A range of options to improve the scale were before ICSC for consideration. These concentrated on the possibilities for widening the salary scale range (maximum to minimum), widening some of the intergrade differentials and reducing interstep differentials. It was also pointed out that revision of the P-1 to D-2 scale structure would have implications for the upper echelon. In this regard, it was presumed that any changes proposed for the D-2 level would not change the intergrade differential between the USG level and the ASG level, on one hand, and between the ASG level and the D-2 level, on the other hand. The proposals were therefore based on the assumption that whatever percentage change in salary level would be recommended for D-2 posts would also apply to these higher-level (ASG and USG) posts *[A/50/30, paras. 202-204]*.

CCAQ noted that while the ICSC secretariat's proposals were interesting, they raised concerns regarding the balance between the potential increases at the lower and higher grade levels. CCAQ had, therefore, requested the ICSC secretariat to draw up a scale which would increase all grade and step levels by at least the proposed amount of the upward movement of the base/floor salary scale. Higher increases would be applicable at the top end of the scale, in order to help reduce compression. The

revised scale incorporating these criteria was based on the premise that an adjustment of approximately 7 margin points would be made, so as to bring the margin to the mid-point of 115. Those 7 points had been divided into 3 elements: (a) a 3.1 point movement at P-4 step VI; (b) 2 further points of margin movement to adjust inter-grade differentials in order to decompress the top of the scale; (c) the remaining 1.9 points would not be incorporated into the base scale in order *inter alia* to retain relativities with the comparator's base scale: CCAQ proposed that those points should be incorporated into the New York PA. As a result of place-to-place relativities, the same increase would take place at all other locations *[A/50/30, para. 207]*.

Base/floor salary: ICSC noted that the proposed adjustment to the level of base/floor salary scale resulted from the application of an established procedure and did not, in and of itself, give rise to problems. A significant impact of the proposed adjustment would be on the allowances which were pegged to the base/floor, notably the mobility and hardship allowance *(see section 3.80)*. ICSC noted that concerns had been expressed in that regard. It noted that the adjustments in the base/floor salary scale approved by the GA since 1990 (when the system had been introduced) had accumulated to 28.32% as of 1 March 1995 and would equal 32.3% as of 1 March 1996 if the current proposals were approved. It was recalled that the adjustment mechanism now in place was modelled on that of the comparator and the increase in the common system base floor scale was therefore in line with the salary scale adjustments implemented on the comparator side. Adjustments were therefore designed to parallel those of the comparator; in fact the common system adjustment arrangements had a built in fourteen months time lag *vis-à-vis* the comparator. ICSC considered that the related impact of the base/floor salary scale adjustment reflected accurately the decisions taken at the time of the 1989 comprehensive review. It further noted that in accordance with GA resolution 47/216, it would be undertaking a review of the mobility and hardship scheme in 1996. The question of the base/floor salary linkage would be taken up at that time, as the GA had requested *[A/50/30, para. 212]*.

Structure of the salary scale: ICSC began its consideration by noting that the potential for implementing any structural changes in the scale was entirely dependent upon GA approval of related proposals for a real salary increase. It was observed that discussion should proceed from first principles before attempts were made to settle particular technical points. ICSC agreed that the remuneration philosophy of the common system should provide for an improved pattern of rewards for promotion *vis-à-vis* seniority. The overall approach proposed by CCAQ (see above) was acknowledged to be sound. The special needs of small technical agencies, as well of field staff in general, were considered. Nevertheless, the overall effect of applying markedly different levels of net remuneration increases to staff at different levels had to be taken into account. While the technical reasons for such increases might be clear, given the past compression of the scale and the future need to improve incentives, some moderation of approach was essential if unnecessary problems were to be avoided. It was apparent that, given the pattern of recruitment of many technical specialists in mid- to late career, there were special situations which the current salary scale did not meet well. In particular, the absence of promotion opportunities in the smaller units meant that the scale needed to continue to provide for some salary progression at the same level of responsibility. Otherwise such specialists would be without any motivation or incentive to maintain productivity. The particular needs of the small technical agencies were further explored in the light of past considerations which had been entertained for special occupational rates. Some discussion ensued about the possibility of special scales, but it was noted that the overall limited size of the common system and the need to retain cohesion meant that the prospects for successfully pursuing this option were no better than they had been a few years previously, when the matter had been explored in depth. It was observed that while the structure proposals had been examined in light of the P-1 to D-2 situation, there were implications for the ASG, USG and the higher-level ungraded officials. It was understood that as regards base salaries the current proposals would maintain the present ASG/D-2 and USG/ASG intergrade differentials. In light of the above, ICSC agreed to make proposals to the GA which moderated the

CCAQ proposal by taking into account some specific proposals of the UN. As a result, the intergrade differentials would be modified. Some concern was expressed that the resulting scale would not remove all imbalance in the scale *vis-à-vis* the US federal civil service. The view was also expressed that desirable scale structures had to be determined in the light of the needs of the common system, and a carbon copy of the comparator was not the goal. Nevertheless, it was observed that very substantial progress had been made in solving the problem of imbalance. It was clear that, by comparison with the situation existing in 1993, the major difficulty at the top of the scale had been resolved *[A/50/30, paras. 215-222]*.

ICSC decided to report to the GA on the following lines: (a) that its proposals with regard to the base/floor salary scale and the restructuring of the scale were just one part of an overall package of measures to recommend to the GA for implementation. The linkage of these measures to restoring net remuneration levels at a margin level of 115 by scaling forward post adjustment indices at all duty stations as of 1 July 1996 by 5.1 per cent *(see also A/50/30, annex XII)*, and restoring overall competitivity in light of other potential comparators, was discussed; (b) as far as the structure of the salary scale was concerned: (i) further to its report to the GA at its 49th session, it had completed its review of the salary scale structure for the P and higher categories in the light of GA resolutions 43/226, 47/216 and 48/224; (ii) the review had revealed that the present structure was not serving adequately the needs of the common system, as it provided insufficient rewards for undertaking higher levels of duties and responsibilities as a consequence of structural weaknesses in the salary scale, including, *inter alia*, too low a ratio between the maximum and minimum salary levels; (iii) the remuneration needs of the common system should be met by providing: intergrade salary differentials sufficient to reflect appropriately the different levels of duties and responsibilities of posts at each grade as determined by application of the Master Standard for classification; adequate rewards on promotion throughout the grades so as to ensure retention of well-qualified and experienced staff; remuneration sufficient to attract recruit at all grades, bearing in mind the special need for the common system to remain a flexible employer prepared to facilitate universality in staffing at the early middle or later career stages; a structure that would facilitate and reinforce performance management; (iv) the imbalance in the scale structure as reflected in margin measurements with the current comparator had been significantly reduced in all matters specific to the current comparison through the following measures: discontinuation of statistical methods (regression analysis and square-root weighting) at variance with the purposes of margin measurement; elimination of GS-7 grade equivalencies in margin comparisons; the use of actual SES average salaries per SES level in place of the earlier use of a single SES average salary in comparisons; (v) the remaining imbalance in the scale structure reflected the compression of the salary range between the maximum (D-2 top step) salary ***vis-à-vis*** the minimum (P-1 step I). This compression was the result of a misfit between the remuneration philosophy of the common system and the relative rewards actually provided by the current scale for responsibility *vis-à-vis* seniority; (vi) intergrade differentials should be adjusted and widened in the upper part of the scale to expand the overall salary scale range between P-1 and D-2 to address the imbalance in (v) above. The USG/ASG and ASG/D-2 intergrade differentials should be maintained at their present percentage levels; (vii) the current number of grades and steps should be retained in a single scale for the Professional and higher categories; (viii) the P-1 grade should be retained and its use encouraged by, ***inter alia***, raising the entry-level salary ***vis-à-vis*** the rest of the scale. The value of steps for seniority at this level should be trimmed; (ix) The within-grade increment steps should continue to be granted with the current periodicity, but organizations should ensure that such steps are not granted to staff irrespective of performance; (x) the net base/floor salary at the P-4/VI dependency level should be increased to $55,795 (equivalent to 3.089 per cent), with effect from 1 March 1996, in order to reflect the comparator's gross salary adjustment of 3.22 per cent of 1 January 1995; (c) the salary scale provided in A/50/30, annex X, had been arrived at on the basis of the above considerations and should

be introduced as the new base/floor salary scale, without consolidation of post adjustment, effective 1 March 1996 *[A/50/30, para. 223]*.

By **resolution 50/208**, the GA decided to defer to its resumed 50th session consideration of the above proposals.

1996 **44th session (July/August): Base/floor salary:** ICSC emphasized the need to link its discussion of the 1997 base/floor adjustment to the recommendations it had made in 1995 as part of its review of the application of the Noblemaire principle. It then turned to the specific modalities for updating its 1995 proposals in the light of current circumstances. The action required was: (a) to restore the margin level to around the midpoint (115) of the range; (b) to bring forward the proposals for the restructuring of the salary scale provided in the 1995 annual report;(c) to increase the base/floor salary to the level required under standard updating procedures linked to comparator salary movements (US$57,198 at the mid-point, P4, step VI). ICSC considered that the CCAQ proposals (scale should be reset at a level which would increase the base/floor to the required level as calculated by the ICSC secretariat and provide for the restoration of the margin to approximately 115 in 1997 and thereafter as a result of real increases at all grades and steps in the scale) provided a basis for achieving the above-stated objectives consistent with the 1995 ICSC recommendations in this regard. They provided for a scale that would: (a) yield a real increase in remuneration of at least 3.1 per cent at each grade and step; (b) restructure the salary scale in the manner recommended by ICSC in 1995 (average increase of 1 per cent); (c) consolidate a portion (2.51 percentage points) of the 5.68 per cent recommended base/floor salary increase on a no-loss, no-gain basis. ICSC decided to make the following recommendations to the GA in the context of its 1995 recommendations: (a) the desirable mid-point of 115 for the UN/US net remuneration margin should be restored in 1997; (d) the net remuneration increase required to restore the mid-point should be attained by application of: (i) an across-the-board increase of 3.089 in the current base/floor salary scale, without consolidation (the 3.089 per cent adjustment to the base/floor scale corresponds to the 3.22 per cent gross salary increase or 3.089 per cent net average increase received by the comparator employees effective 1 January 1995); (ii) a further differential increase of 1 per cent (on average) at various grade/steps of the base/floor salary scale resulting from (i) above, to implement the scale restructuring proposals made by ICSC in annex X of its 1995 annual report; (iii) a consolidation of 2.51 per cent of post adjustment on a no-loss no-gain basis into the base/floor salary scale in (ii) above to reflect a corresponding increase in net salaries of the comparator effective 1 January 1996; (iv) implementation of the base/floor salary scale resulting from (i) through (iii) above effective 1 March 1997 *[A/51/30, paras.129-155]*.

In **resolution 51/216**, the GA approved, with effect from 1 January 1997, a revised scale of gross and net salaries for staff in the P and higher categories reflecting an increase of 0.4 percent.

1997 **46th session (July)**: ICSC noted that an increase of 3.1 per cent for 1998 in the current base/floor salary scale (through the usual method of consolidating multiplier points on a no-loss/no-gain basis) would reflect the increase granted to the US federal civil service for 1997 and such recommendation would be fully consistent with the decision of the GA resolution 44/198 *[A/52/30, para. 58]*. ICSC recommended to the GA that the revised base/floor salary scale for the P and higher categories shown in A/52/30, annex V, be approved for implementation with effect from 1 March 1998. ICSC further recommended that the revised rates of staff assessment shown in A/52/30, annex VI, for those without primary dependents be used in conjunction with gross base salaries of the above-mentioned categories of staff also be introduced with effect from the same date *[A/52/30, para. 62]*.

By **resolution 52/216,** the GA approved the above recommendations by ICSC.

1998 **47th session (April/May):** ICSC noted that the comparator's General Schedule salary scale for Washington, D.C., was increased as of 1 January 1998 by 2.45 per cent on a gross basis. This increase,

combined with the effect of tax changes (the comparator adjusted its tax brackets), resulted in a net increase of 2.48 per cent at the P-4, step VI level *[A/53/30, para. 89]*. ICSC recommended to the GA that the current base/floor salary scale for the P and higher categories be increased by 2.48 per cent through standard consolidation procedures, on a no-loss/no-gain basis, with effect from 1 March 1999 *[A/53/30, para. 95 and annex IV]*. ICSC further recommended that revised rates of staff assessment also be introduced with effect from the same date.

In its **resolution 53/209** the GA approved, with effect from 1 March 1999, the revised base scale of gross and net salaries for staff in the P and higher categories, and the consequential amendment to the UN Staff Regulations.

1999 **49th session (April):** ICSC noted that an increase of 3.42 per cent for 2000 in the current base/floor salary scale (through the usual method of consolidating multiplier points on a no-loss/no-gain basis) would reflect the increase granted to the US federal civil service for 1999. ICSC recommended to the GA that the revised base/floor salary scale for Professional and higher categories be approved for implementation with effect from 1 March 2000 *[A/54/30, annex V]*.

Simplified procedure for revising the single rates of staff assessment: ICSC noted that the process of determining the revised net base salaries for staff receiving remuneration at the dependency rate and the revised gross salaries on the occasion of consolidating a part of the post adjustment into base salaries on a "no loss/no gain" basis was a relatively simple one. However, the determination of the post consolidation net salaries for those receiving remuneration at the single rate was time-consuming and some gains or losses were nonetheless experienced by staff in that category. ICSC recalled that certain relationships had been established between net base salaries at the dependency and single rates when the differentiated approach to salaries to account for primary dependants was first introduced in 1977. As a result of successive consolidations of a part of post adjustment into base/floor salaries, while no losses or gains were experienced by staff receiving remuneration at the dependency rates, some such losses or gains had occurred randomly in the case of those receiving it at the single rate. However, that had not affected in a significant way the dependency-to-single salary relationships established in 1977. In view of that, maintaining the current relationships at various grades and steps between the two sets of net salaries would not pose any difficulties. With the adoption of the simplified procedure: (a) on the occasion of the consolidation of a part of post adjustment, the process of determining net base salaries at the single rate would be rendered simpler; (b) losses and gains in salaries for those receiving remuneration at the single rate would be eliminated; (c) the staff assessment scale used in conjunction with the base/floor salary scale would be simplified. The current scale with two separate rates of staff assessment for those with and those without dependants and 12 assessable income brackets would be eliminated. That would be replaced by a staff assessment scale for those with dependants consisting of four assessable income brackets and corresponding staff assessment rates; (d) staff assessment amounts for those without dependants at various grades and steps would be equal to the difference between the gross salary and the corresponding net single salaries in the scale to be approved by the GA *(See A/54/30, Annex IV).* ICSC noted that the change in the procedure for determining the base/floor salary scale would require some amendments to the staff regulations of the organizations. It was noted from the comments of the organizations that such modifications would not pose serious difficulties for them [*A/54/30, paras. 71-74]*.

In **resolution 54/238**, the GA approved, with effect from 1 March 2000, the revised base scale of gross and net salaries for staff in the P and higher categories and the consequential amendment to the Staff Regulations of the United Nations; and decided that, with effect from 1 March 2000, the staff assessment amounts at various grades and steps for those receiving remuneration at the single rate would be determined in accordance with the procedure outlined in the annex II to the resolution.

2000 **2000 51st session (April):** ICSC noted that the comparator's General Schedule salary scale for Washington, D.C., was increased as of 1 January 2000 by 4.94 per cent on a gross basis. This increase, combined with the effect of tax changes, had resulted in a net increase of 5.1 per cent at the P-4, step VI level *[A/55/30, para. 121]*. ICSC

2000 recommended to the GA that the current base/floor salary scale for the P and higher categories be increased by 5.1 per cent through standard consolidation procedures, on a no-loss/no-gain basis, with effect from 1 March 2001 *[A/55/30, para. 124 and annex VI]*. ICSC also noted that the issue of the adjustment of the staff assessment rates to address imbalances in the Tax Equalization Fund had been discussed with the United Nations secretariat. The United Nations had informed the ICSC secretariat that no adjustment was necessary at the current stage; as a consequence no change in staff assessment rates would be required *[A/55/30, para. 122]*. ICSC also noted the request from CCAQ to recommend a real salary increase on the basis of the margin *[A/55/30, para. 123]*.

In its **resolution 55/223,** the GA approved, with effect from 1 March 2001, the revised base scale of gross and net salaries for staff in the Professional and higher categories. The GA requested ICSC, in the context of the review of the pay and benefits system, to review the linkage between the base/floor salary scale and the mobility and hardship allowance.

51st session (April): ICSC noted that the comparator's General Schedule salary scale for Washington, D.C., was increased as of 1 January 2000 by 4.94 per cent on a gross basis. This increase, combined with the effect of tax changes, had resulted in a net increase of 5.1 per cent at the P-4, step VI level *[A/55/30, para. 121]*. ICSC recommended to the GA that the current base/floor salary scale for the P and higher categories be increased by 5.1 per cent through standard consolidation procedures, on a no-loss/no-gain basis, with effect from 1 March 2001 *[A/55/30, para. 124 and annex VI]*. ICSC also noted that the issue of the adjustment of the staff assessment rates to address imbalances in the Tax Equalization Fund had been discussed with the United Nations secretariat. The United Nations had informed the ICSC secretariat that no adjustment was necessary at the current stage; as a consequence no change in staff assessment rates would be required *[A/55/30, para. 122]*. ICSC also noted the request from CCAQ to recommend a real salary increase on the basis of the margin *[A/55/30, para. 123]*.

In its **resolution 55/223,** the GA approved, with effect from 1 March 2001, the revised base scale of gross and net salaries for staff in the Professional and higher categories. The GA requested ICSC, in the context of the review of the pay and benefits system, to review the linkage between the base/floor salary scale and the mobility and hardship allowance.

2001 **53rd session (June):** ICSC noted that the comparator's General Schedule salary scale for Washington, D.C., was increased as of 1 January 2001 by 3.81 per cent on a gross basis. This increase, combined with the effect of tax changes, had resulted in a net increase of 3.87 per cent at the P-4, step VI level *[A/56/30, para. 91]*. ICSC recommended to the GA that the current base/floor salary scale for the P and higher categories be increased by 3.87 per cent through standard consolidation procedures, on a no-loss/no-gain basis, with effect from 1 March 2002 *[A/56/30, para.97 and annex V]*. ICSC also noted that the issue of the adjustment of the staff assessment rates to address imbalances in the Tax Equalization Fund had been discussed with representatives of the United Nations secretariat who had indicated that no adjustment was necessary. As a consequence, no change in staff assessment rates would be required *[A/56/30, para.92, Annex V])*.

In **resolution 56/244**, the General Assembly noted the increasing number of duty stations where the post adjustment classification is equal or close to zero and requests the Commission review the methodology to ensure purchasing power equivalence is appropriately reflected. The General

Assembly also approved, with effect from 1 March 2002, as recommended by the Commission, the revised base scale of gross and net salaries for staff in the Professional and higher categories.

2002 **54th session (April/May):** ICSC was informed that in view of the movement of the United States federal service salaries in the United States of America as of 1 January 2002 (in Washington, D.C.), an adjustment of the United Nations common system's scale of 5.6 per cent would be necessary in 2003 in order to keep the base/floor scale in line with the comparator. ICSC was also informed that the net remuneration margin, which measured the relationship between United Nations net salaries and those of the comparator, would drop below the minimum of its range *(ICSC/54/R.12).*

ICSC requested its secretariat to prepare a document for consideration at its 55th session, which would address the methodological issues related to the adjustment of the base/floor salary scale *(ICSC/54/R.12 para. 92).*

55th session (July/August): ICSC, at its request, was presented by its secretariat with three options: (a) the standard adjustment of the base/floor salary scale on a no-loss/no-gain basis; (b) a proposal for an across-the-board salary increase to bring the overall margin to its appropriate level; and (c) a proposal for a differentiated salary increase that would address the overall margin level and the low levels of the margin at the upper grades of the scale and the high margin levels at the lower end of the scale *(ICSC/55/R.6).* ICSC decided to recommend to the General Assembly, for implementation effective 1 March 2003, a differentiated real increase of the base/floor salary scale in order to restore the overall level of the margin to the desirable midpoint of 115 ***(****A/57/30 para.174).*

The General Assembly did not approve the recommendation of ICSC but adopted, by **resolution 57/285**, a base/floor salary scale which was lower than the one recommended by ICSC.

2005 **61st session (July):** The Commission was informed that, in view of the movement of federal civil service salaries in the United States of America as from 1 January 2005, an adjustment of the United Nations common system's scale by 2.49 per cent would be necessary in 2006 in order to maintain the base/floor scale in line with the comparator's General Schedule (base) scale**.** The Commission noted that the comparator's General Schedule (base) salary scale had been increased as from 1 January 2005 by 2.5 per cent on a gross basis. The 2005 General Schedule increase, combined with the effect of tax changes, had resulted in GS-13/GS-14 salary levels that were 2.49 per cent higher than the current base/floor salary scale. The Commission noted that the adjustment in the base/floor salary scale would be implemented by means of the standard method of consolidating post adjustment multiplier points on a no-loss/no-gain basis *[*A/60/30, para. 190*]*. The Commission noted further that representatives of the United Nations Secretariat had informed the ICSC secretariat that in order to address imbalances in the Tax Equalization Fund, a reduction in staff assessment would be required to lower the fund by 20 per cent. While the adjustment would have no impact on net salaries, it would lower the gross salaries of the scale by 20 per cent, as requested *[A/60/30, para. 191].*

The Commission decided to recommend to the General Assembly that the current base/floor salary scale for the Professional and higher categories be increased by 2.49 per cent through the standard consolidation procedures, on a no-loss/no-gain basis, with effect from 1 January 2006 *[A/60/30, para. 193].*

In **resolution 60/544**, the GA decided to defer to its resumed sixtieth session consideration of the report the International Civil Service Commission for the year 2005.

2006 **63rd session (July):** ICSC was informed that, in view of the movement of the federal civil service salaries in the United States of America since 1 January 2005 – the date of the latest revision of the base/floor scale by the General Assembly – a 4.57 per cent adjustment was required for the United

Nations common system base/floor scale. The adjustment would be necessary in January 2007 in order to maintain the base/floor scale in line with the comparator's General Schedule base scale. The proposed increase of 4.57 per cent included the increase proposed but not yet approved by the Assembly for 1 January 2006. Thus, it took account of the relative movement over two years of net salaries in the comparator *[A/61/30 para.85]*.

The Commission informed the General Assembly that its present recommendation superseded its 2005 base/floor recommendation, which had not been acted on by the General Assembly and reflected the movement of comparator net salaries in the two-year period 2005-2006 *[A/61/30 para93]*.

In that context, the Commission decided to recommend to the General Assembly that: (a) the current base/floor salary scale for the Professional and higher categories be increased by 4.57 per cent through the standard consolidation procedures on the basis of the standard method of reducing post adjustment multiplier points and increasing base salary, i.e. on a no loss/no gain basis, with effect from 1 January 2007; (b) the new arrangements for the mobility and hardship scheme, as recommended to the Assembly be introduced concurrently with the adjustment of the base/floor scale, that is, as from 1 January 2007.

In **resolution 61/239**, as recommended by the Commission, the General Assembly approved effective 1 January 2007, the revised base/floor scale of gross and net salaries for staff in the Professional and higher categories *[A/61/30 para.94 and annex IV]*.

2007 **65th Session (July):** In document ICSC/65/R8 the Commission recommended to the General Assembly, for approval with effect from 1 January 2008, a new base/floor salary scale for the Professional and higher categories. The scale reflects a 1.97 per cent adjustment implemented through the standard consolidation method of increasing base salary and commensurately reducing post adjustment multiplier points.

In **resolution 62/227**, the GA approved, with effect 1 January 2008, as recommended by the Commission in paragraph 30 of its 2007 annual report, the revised base/floor scale of gross and net salaries for staff in the Professional and higher categories contained in annex III to the report [A/62/30, annex III].

2008 **67th session (July):** ICSC was informed that, in view of the movement of the federal civil service salaries in the United States of America since 1 January 2008, the date of the latest revision of the base/floor scale by the General Assembly, a 2.33 per cent adjustment was required for the United Nations common system base/floor scale. The adjustment would be necessary in January 2009 in order to maintain the base/floor scale in line with the comparator's General Schedule base scale.

The Commission decided to recommend to the General Assembly that the current base/floor salary scale for the Professional and higher categories be increased by 2.33 per cent through the standard consolidation method of increasing base salary and commensurately reducing post adjustment multiplier points.

In **resolution 63/251**, as recommended by the Commission, the General Assembly approved effective 1 January 2009, the revised base/floor scale of gross and net salaries for the staff in the Professional and higher categories [A/63/30 para.79 and annex IV].

2009 **69th session (June/July):** ICSC was informed that, in view of the movement of the federal civil service salaries in the United States of America since 1 January 2009, the date of the latest revision of the base/floor scale by the General Assembly, a 3.04 per cent adjustment was required for the United

Nations common system base/floor scale. The adjustment would be necessary in January 2010 in order to maintain the base/floor scale in line with the comparator's General Schedule base scale.

The Commission decided to recommend to the General Assembly that the current base/floor salary scale for the Professional and higher categories be increased by 3.04 per cent through the standard consolidation method of increasing base salary and commensurately reducing post adjustment multiplier points.

The Commission also requested its secretariat in cooperation with the organizations, to collect the common system staff separation statistics every five years and, on that basis, to update as necessary the formula used for estimating the financial implications relating to separation payments.

In **resolution 64/231**, as recommended by the Commission, the General Assembly approved effective 1 January 2010, the revised base/floor scale of gross and net salaries for the staff in the Professional and higher categories [A/64/30 para.66 and annex IV].

2010 **71st session (July/August):** ICSC was informed that, in view of the movement of the federal civil service salaries in the United States of America since 1 January 2010, the date of the latest revision of the base/floor scale by the General Assembly, a 1.37 per cent adjustment was required for the United Nations common system base/floor scale. The adjustment would be necessary in January 2011 in order to maintain the base/floor scale in line with the comparator's General Schedule base scale.

The Commission decided to recommend to the General Assembly that the current base/floor salary scale for the Professional and higher categories be increased by 1.37 per cent through the standard consolidation method of increasing base salary and commensurately reducing post adjustment multiplier points.

In resolution 65/248, the General Assembly, recalled its resolution 44/198, by which it established a floor net salary level for staff in the Professional and higher categories by reference to the corresponding base net salary levels of officials in comparable positions serving at the base city of the comparator civil service (the United States federal civil service), approved with effect from 1 January 2011, as recommended by the commission in its report, the revised base/floor scale of gross and net salaries for the staff in the Professional and higher categories as contained in annex VI to the report [A/65/30, para. 120 and annex VI].

2011 **73rd session (July)** The Commission was informed that, as a result of the implementation of a pay freeze, the gross levels of the General Schedule of the comparator would not be adjusted between 1 January 2011 and 31 December 2012. However, a slight change in the federal tax rate schedule, as well as for personal exemptions and standard deductions, had occurred as of 1 January 2011, with taxes for the states of Maryland and Virginia and in the Federal District of Columbia remaining unchanged. Despite the pay freeze, the change in the federal tax rates resulted in an increase of the reference comparator pay level in net terms, which amounted to 0.13 per cent as compared with the 2010 level.

As part of the present review, the Commission also considered a request from the United Nations to revise the rates of the staff assessment. This request was made to address the surplus that had accumulated in the Tax Equalization Fund, in particular, in the sub-account of the United States of America. According to estimates by the United Nations, a 15 per cent reduction in staff assessment revenue was required to address this problem.

The Commission decided to recommend to the General Assembly that the current base/floor salary scale for the Professional and higher categories be increased by 0.13 per cent through the standard consolidation method of increasing base salary and commensurately reducing post adjustment

multiplier points. Moreover, the Commission decided to recommend to the General Assembly the revised rates of staff assessment used in conjunction with gross base salaries for the Professional and higher categories of staff. The revised rates would be calculated and added to the net dependency rates of salaries to determine the corresponding gross salary levels. The staff assessment amounts for single staff would be computed by subtracting the net single rate from the gross salary at each grade and step in the salary scale. The Commission also decided that the staff assessment rates used in conjunction with gross salaries be reviewed every three years and revised as appropriate.

In **resolution 66/235,** The General Assembly**,** recalling its resolution 44/198, by which it established a floor net salary level for staff in the Professional and higher categories by reference to the corresponding base net salary levels of officials in comparable positions serving at the base city of the comparator civil service (the United States federal civil service); (a) approved, the revised base/floor salary scale of gross and net salaries for staff in the Professional and higher categories, as contained in annex V.A to the report; (b) approved, with effect from 1 January 2012, as recommended by the Commission, the revised rates of staff assessment used in conjunction with gross base salaries for the Professional and higher categories of staff, and (c) endorsed the decision of the Commission, stated in paragraph 121 of its report, to review the staff assessment rates used in conjunction with gross salaries every three years, for revision as appropriate.

2012 **75th session (July):** The Commission was informed that owing to the comparator civil service's pay freeze in effect for 2011 and 2012, the gross levels of the General Schedule of the comparator had not changed from the levels in 2010. However, slight changes in the federal and Maryland tax schedules had occurred in 2012, while the taxes for the State of Virginia and in the Federal District of Columbia remained unchanged. Despite the pay freeze, the change in the federal tax rates resulted in an increase of the reference comparator pay level in net terms, which amounted to 0.12 per cent as compared with the 2011 level.

The Commission decided to recommend to the General Assembly for approval, with effect from 1 January 2013, the revised base/floor salary scale for the Professional and higher categories reflecting a 0.12 per cent adjustment implemented by increasing the base/floor salary scale and commensurately reducing post adjustment multiplier points with no change in net take-home pay.

In **resolution 67/257,** the General Assembly, while noting that tax-related changes in the comparator country resulted in an increase of 0.12 per cent in the salaries of its officials compared with 2011 levels, did not approve the revised scale. As a result, the scale effective 1 January 2012 remained unchanged.

2013 **77th Session (July):** The Commission was informed that the comparator civil service's pay freeze had been extended to 31 December 2013; therefore, the gross levels of the General Schedule of the comparator had not changed from the 2010 levels. However, the slight changes in personal exemptions and standard deductions of the federal tax schedule resulted in an increase of 0.19 per cent, in net terms, in the reference comparator pay level. This increase includes 0.12 per cent recommended by the Commission last year but on which the General Assembly had not taken action.

The Commission **decided** to recommend to the General Assembly, for approval with effect from 1 January 2014, the revised base/floor salary scale reflecting a 0.19 per cent adjustment to be implemented by increasing the base salary and simultaneously reducing post adjustment, resulting in no change in net take-home pay.

By **resolution 68/253,** the General Assembly approved the revised base/floor scale of gross and net salaries for staff in the Professional and higher categories as recommended by the Commission.

2014 **79th Session (July):** The Commission considered the impact to salaries in the comparator civil service of the lifting of the statuary freeze in Untied States federal pat adjustments, and the subsequent 1.0 per cent general increase, granted as at 1 January 2014 for all statutory pay systems. Revisions in the federal tax brackets and standard and personal deductions, changes in the post adjustment multiplier for New York, as well as a revised cost-of-living differential between New York and Washington were also taken into account.

On this basis, the Commission **decided to recommend** to the General Assembly for approval with effect from 1 January 2015, a revised base/floor salary scale for the Professional and higher categories, a 1.01 per cent adjustment, to be implemented by increasing the base salary and commensurately reducing post adjustment multiplier points, resulting in no change in net take-home pay. (A/69/30, para 175)

By **resolution 69/251**, General Assembly approved the revised base/floor scale of gross and net salaries for staff in the Professional and higher categories as recommended by the Commission. It also requested the Commission to continue action to bring the calendar year margin to around the desirable midpoint, without prejudice to any future decision of the General Assembly and to further examine issues relating to margin management in the context of its ongoing comprehensive review of compensation. (A/RES/69/251, section II.C)

2015 **81st Session (July):** The Commission was informed that a 1 per cent increase had been implemented in the comparator's base General Schedule scale effective 1 January 2015. Minor changes were also introduced in the United States tax schedules at the federal level for 2015. For the State of Maryland and the State of Virginia, no changes were recorded in the tax legislation for 2015. For the Federal District of Columbia, several changes were introduced with a view to lowering the tax burden. A tax bracket was introduced for taxable income between $40,000 and $60,000, with a lower tax rate of 7.0 per cent. Previously, taxable income between $40,000 and $350,000 was taxed at a rate of 8.5 per cent. In addition, the standard deduction was increased from $4,000 to $8,350.

The Commission **decided** to recommend to the Assembly for approval with effect from 1 January 2016 the revised base/floor salary scale for the Professional and higher categories, as shown in annex IV to the present report, reflecting a 1.08 per cent adjustment, to be implemented by increasing the base salary and commensurately reducing post adjustment multiplier points, resulting in no change in net take-home pay. (A/70/30, para 35)

In its **resolution 70/244** the General Assembly approved the base/floor salary scale recommended by the Commission. (A/RES/70/244, Section II.A)

2013-2015: As part of **the comprehensive review** of the compensation package for staff in the Professional and higher categories, conducted by the Commission between its 76th to 81st sessions (March 2013 to July 2015), the Commission recommended to the General Assembly that one net salary scale be introduced for all staff in the Professional and higher categories without regard to family status. The introduction of a unified salary scale would simplify the existing salary system and reinforce the notion of payment of salary for work done rather than the recognition of individual circumstances of staff members. (A/70/30, para 210)

Keeping in mind the need to minimize any effects on staff members as a result of the transition from the old scale to the new one, a grade and step mapping was recommended to the Assembly (A/70/30/annex II). In addition, for staff members with no dependent spouse but with a dependent child are currently paid at the dependency salary rate in respect of their first dependent child, a transitionary allowance was also proposed. The allowance would be equivalent to 6 per cent of net

remuneration to be paid in respect of the dependent child upon implementation of the proposed salary scale (no child allowance would be paid in that case). The allowance would be reduced by one percentage point every 12 months thereafter. When the amount of the allowance became equal to or lower than the child allowance, then the child allowance would be payable in lieu. In order to deal with the cases of a small minority of staff whose salary exceeds the maximum amount available in their current grade under the new scale, it was further proposed that such staff would be placed at legacy "personal steps" until they left the common system or were promoted to a higher grade. (A/70/30, para 249)

The General Assembly, in its resolution 70/244, approved the proposed unified base/floor salary scale structure (as shown in A/70/30/annex II, section A), subject to any adjustments approved prior to its implementation, as at 1 January 2017. It further decided that the net base salaries of the Assistant Secretaries-General and Under-Secretaries-General in the unified scale be established at the level of their present dependency rate of pay, reduced by six per cent, and that the pensionable remuneration of these grades should be maintained at their current levels. The General Assembly also approved the transitional measures, as proposed by the Commission. (A/RES/70/244, section II paras 6 – 11)

2016 83rd session (July): The Commission was informed that a one per cent increase had been implemented, with effect from 1 January 2016, in the base General Schedule scale of the comparator civil service. In addition, changes with respect to tax schedules and the personal exemption amounts had been introduced at the federal level for 2016. On the basis of the above, the Commission decided to recommend to the General Assembly, for approval, with effect from 1 January 2017, the revised unified base/floor salary scale, reflecting a 1.02 per cent adjustment (A/71/30, para 122). The same adjustment was also recommended for the pay protection points introduced under the comprehensive review of the common system compensation package in accordance with General Assembly resolution 70/244. The financial implications associated with the increase in the base/floor salary were estimated at $438,000 per annum system-wide.

The General Assembly in its resolution 71/264, approved the revised unified base floor salary scale for staff in the Professional and higher categories as recommended by the Commission.

2017 **85thsession (July):** The Commission was informed that a one per cent increase had been implemented with effect from 1 January 2017 in the base General Schedule scale of the comparator civil service. In addition, changes with respect to tax schedules and deductions amounts had been introduced for 2017.

The Commission decided to recommend to the General Assembly, for approval with effect from 1 January 2018, the revised unified base/floor salary scale reflecting a 0.97 per cent adjustment (A/72/30, para 97). The same adjustment was also recommended for the pay protection points introduced under the comprehensive review of the common system compensation package in accordance with General Assembly resolution 70/244 (III (9))

The General Assembly in its resolution 72/255, approved the revised unified base/floor scale for staff in the Professional and higher categories, with effect from 1 January 2018

2018 **87th session (July):** The Commission was informed that a 1.4 per cent increase had been implemented with effect from 1 January 2018 in the base General Schedule scale of the comparator civil service. In addition, changes in tax schedules and deductions amounts had been introduced for the income earned in 2018 (ICSC/87/R.5)

The Commission decided to recommend to the General Assembly, for approval with effect from 1 January 2019, the revised unified base/floor salary scale reflecting a 1.83 per cent adjustment (A/73/30, para 82). The same adjustment was also recommended for the pay protection points

introduced under the comprehensive review of the common system compensation package in accordance with General Assembly resolution 70/244 (III (9))

The General Assembly, in its resolution 73/273, approved the revised unified base/floor scale and pay protection points for staff in the Professional and higher categories, with effect from 1 January 2019.

2019 **89th session (July):** The Commission was informed that a 1.4 per cent increase had been implemented with effect from March 2019 in the base General Schedule scale of the comparator civil service. Revisions in the federal tax brackets and standard personal deduction, as well as changes with respect to standard deduction amounts applicable for residents of the District of Columbia and the state of Maryland were also introduced in 2019 (A/74/30, para 57).
On this basis, the Commission recommended to the General Assembly, for approval with effect from 1 January 2020, a revised unified base/floor salary scale reflecting a 1.21 per cent adjustment (A/74/30, para 63). The same adjustment was also recommended for the pay protection points introduced during the comprehensive review of the common system compensation package in accordance with the General Assembly resolution 70/244 (III(9)).
The General Assembly, in its resolution 74/255B, approved the revised unified base/floor salary scale and pay protection points for staff in the Professional and higher categories, with effect from 1 January 2020.

2020 **90th session (October):** The Commission was informed that a 2.6 per cent increase had been implemented with effect from 1 January 2020 in the base General Schedule scale of the comparator civil service. Revisions in the federal tax brackets and standard deductions, as well as changes with respect to standard deduction amounts applicable for the residents of the State of Virginia, were also introduced in 2020 (A/75/30, para. 50).
On this basis, the Commission recommended to the General Assembly for approval, with effect from 1 January 2021, a revised unified base/floor salary scale reflecting a 1.90 per cent adjustment (A/75/30, para. 55). The same adjustment was also recommended for the pay protection points introduced during the comprehensive review of the common system compensation package in accordance with General Assembly resolution 70/244 (III (9)).

In its resolution 75/245, the General Assembly approved the revised unified base/floor salary scale and pay protection points for staff in the Professional and higher categories, with effect from 1 January 2021.

2021 **92nd session (August):** The Commission was informed that a 1.0 per cent increase had been implemented with effect from 1 January 2021 in the base General Schedule scale of the comparator civil service. Revisions in the federal tax brackets and standard deductions, as well as changes with respect to standard deduction amounts applicable to the residents of the District of Columbia were also introduced in 2021 (A/76/30, para. 18).
The Commission recommended to the General Assembly, for approval with effect from 1 January 2022, a revised unified base/floor salary scale reflecting a 0.92 per cent adjustment (A/76/30, para. 24). The same adjustment was also recommended for the pay protection points introduced during the comprehensive review of the common system compensation package in accordance with the General Assembly resolution 70/244 (III (9)).
The General Assembly in its resolution 76/240: 1) Approved the revised unified base/floor salary scale and pay protection points for staff in the Professional and higher categories, with effect from 1 January 2022; 2) Requested the Commission to report to the General Assembly at its seventy-seventh session on the impact of such revision on the expenditures on post resources for 2022, including separation payments, post adjustment payments and pension contributions from member organizations.

SECTION 2.1.70
POST ADJUSTMENT

1975 **1st session (May)**: Pursuant to article 18 of the statute, the approval of periodic revisions of the schedules of post adjustment classifications under article 11(b) was delegated to the Chairman *(ICSC/R.8, para. 49 (a))*. Since 1 July 1975, this has been done by monthly circulars issued by the Chairman *[A/10030, para. 17 and A/34/30, para. 131]*.

2nd session (July): At the request of ACC, ICSC reviewed a document prepared by CCAQ *(ICSC/R.17)* regarding urgently needed amendments in the operation of the PA system *[A/10030, para. 37]*. ICSC recognized that the losses suffered by staff members without dependants in duty stations with high classes of PA constituted an acute problem caused by rapid inflation and instability of currency exchange rates. ICSC therefore agreed to concentrate its attention on an interim remedy such as that recommended for its consideration by ACC, leaving aside other possible long-term solutions such as those proposed by UNESCO and GATT for consideration in the context of the overall review of the salary system and without prejudging the long-term solution it might ultimately recommend *[A/10030, paras. 49 and 50]*. It accepted the general recommendation of ACC that some relief should be granted immediately to staff members without dependants in high PA classes. ICSC agreed that, as regards the threshold class above which the rate of PA for staff without dependants should be supplemented, the appropriate level was that which had been taken into account by the GA when it approved, at its 29th session, on the recommendation of ICSAB, an increase of 6 per cent in net base salary with effect from 1 January 1975. The additional payment to staff members without dependants should therefore apply only to PA classes above class 7, i.e., class 8 and above *[A/10030, paras. 57 and 58]*.

ICSC recommended that, as a temporary interim measure, with effect from 1 January 1976: (a) at duty stations classified for the purposes of application of the post adjustment system at class 7 and below there should be no change in the existing tables of rates of PAs for staff with and without dependants at the different grades and steps; (b) at duty stations classified in class 8 and above, the present rates should continue to apply to staff members without dependants in respect of the first seven classes of PA. For each class above class 7 (class 8 and above), additional payments should be made to staff members without dependants equal to the difference between the present rate (two thirds of the "with dependants" rate) and a rate of 85 per cent of the "with dependants" rate *[A/10030, paras. 61-64]*.

The GA at its 30th session noted in resolution 3418(XXX) that the operation of the PA system had resulted in an undue degree of differentiation in the total remuneration of staff members without dependants as compared with that of staff members with dependants, which in the opinion of ICSC constituted a serious problem of inequity. It noted further that ICSC expected to include in the overall report on its review of the UN salary system, which it would submit to the GA at its 35th session, proposals to deal with this problem on a long-term basis. The GA approved the recommended interim measure.

1976 **4th session (June/July)**: ICSC concluded that the desired degree of differentiation having been achieved through the application of differentiated rates of staff assessment, equality of purchasing power should henceforth be maintained at all classes of PA through PA rates which should be, at each grade and step, a uniform percentage of net salary for staff with and those without dependants at all classes of PA. The rate of PA to be applied in minus classes (deductions) should be 4 per cent of net salary per class at all salary levels. ICSC would study further, with the assistance of ACPAQ: (a) the possible modification of the PA system to substitute for the existing movement of 5 index points which justifies a change in the class of PA a movement of 5 percentage points; (b) the justification for the making of exceptions to the four-month waiting period rule in special circumstances, e.g., of

exceptionally rapid inflation. ICSC found no convincing grounds for a general reduction of the four-month waiting period *[A/31/30, paras. 61-63]*.

ICSC further recommended that in conjunction with the other changes it was recommending in the salary system, several classes of PA should be consolidated into base salary: the number of classes to be consolidated should be the number required to restore pensionable remuneration to its normal par relationship to gross salary on 1 January 1977 (i.e., four classes according to the level of pensionable remuneration in 1976, as adjusted by the movement of the WAPA index, but five classes if the WAPA index continued to stand at 125 or above in September 1976, thereby justifying, in terms of GA resolution 1561(XV), a further 5 per cent increase in pensionable remuneration with effect from 1 January 1977 *[A/31/30, para. 66]*.

By **resolution 31/141B**, the GA noted ICSC's conclusions in Chapter II of the 1976 annual report *(A/31/30)*. The GA decided that ICSC, as a standing body should keep under continual review the relationship between the levels of remuneration of the comparator civil service and the UN system, having due regard to all relevant factors, and decided that any time ICSC considered corrective action was necessary, it should either recommend such action to the GA or, if urgent conservatory action was necessary between sessions of the GA to prevent an undue widening of the margin of UN remuneration over that of the comparator civil service, take appropriate measures itself within the operation of the PA system.

The GA also decided that five classes of PA should be consolidated into the base salaries of the P and higher categories as recommended by ICSC. The GA also changed the base of the PA system from New York at 100 as at December 1969 to New York at 100 as at November 1973. The revised scales of staff assessment rates, PA rates and gross and net salaries, as set out in annex VII (or VIII, as appropriate) of the 1976 annual report *(A/31/30)* entered into effect from 1 January 1977. As recommended by ICSC the GA authorized temporary transitional (non-pensionable) payments for staff members whose remuneration under the revised scales would be less than under the existing scales; the amounts of these payments and the modalities for their gradual reduction and ultimate elimination were to be determined by ICSC. The cost of these measures were estimated at $2,370,000 per annum for the whole common system *[A/31/30, para. 85]*.

In addition to the changes in the PA system ICSC considered other possible changes in 1976, including those recommended by the 1971-1972 Special Committee or noted by it for further study. While the GA had reserved to itself the approval of the scales of PA, under article 10(b) of the statute, ICSC was responsible under article 11 for establishing the methods by which the principles for determining conditions of service should be applied and the classification of duty stations for the purpose of applying PAs. The technical questions of methodology involved in computing PA indexes, in making place-to-place and time-to-time comparisons and in classifying duty stations on the basis of the indexes thus fell within ICSC's competence. ICSC intended to fulfil its duties in this respect by reviewing these questions on a continuing basis. To assist it in this work, it had established ACPAQ to provide it with expert statistical advice *[A/31/30, para. 241]*.

Regarding the questions which had been mentioned in the report of the 1971-1972 Special Committee, ICSC recommended that: (a) PA should continue to be based on net remuneration; (b) the staff member's contribution to the Pension Fund should continue to be excluded from the amount of net salary on which the value of a class of PA was calculated *[A/31/30, para. 242]*.

In continuation of its study of possible further reforms in the salary system, ICSC requested ACPAQ to submit a full report in 1977 on the implications of basing changes in PA on index movements of 5 per cent in relation to the preceding class rather than on movements of 5 points in relation to the base 100.

Such a change had been recommended by the Special Committee for the Review of the UN Salary System whose report *[A/8728, para. 17(b)]* had been referred to ICSC by the GA. ICSC itself, in its second annual report had stated the opinion that "the proposal offered definite advantages, particularly in reducing the frequency of changes of class at high index levels" *[A/31/30, para. 244]*.

By **resolution 31/141 B**, the GA recommended that ICSC should carry forward its study of possible further reforms in the international civil service salary system and, in that connection, requested ICSC to report to the GA on the feasibility of establishing a modified system of PAs, taking into account the views expressed in para. 229 of the 1976 annual report *(A/31/30 and Add.1)*.

1977 In accordance with article 11(c) of its statute, ICSC continued to keep up to date the schedule of classification of duty stations for the purpose of applying PAs. The criterion for inclusion of duty stations for the calculation of WAPA was broadened at the beginning of 1977 to include any locality having either 35 or more staff members of the P and higher category of one organization or 60 or more staff members of the P and higher category from all organizations combined *[A/32/30, para. 38]*.

6th session (August/September): ICSC considered the report of ACPAQ on its 2nd session *(ICSC/R.88)* and reviewed possible means of correcting divergencies between the remuneration of the UN and that of the comparator. ICSC recalled that it had been requested by the GA, in resolution 31/141B, to keep under continual review the relationship between the levels of remuneration of the comparator (US) and the UN system and to take such urgent corrective action as it might deem necessary or, alternatively, to recommend action to the GA. ICSC was of the opinion, therefore, that it had already had the necessary authority and meant to deal with any divergency which might appear *[A/32/30, para. 44]*.

In regard to the issue of basing changes in classes of PA on 5 per cent rather than on 5-point movements, ICSC noted that the main advantage of the existing "five-point rule" was that it had been familiar to the staffs and administrations for many years and was, by its nature, easy to understand and apply *[A/32/30, paras. 45 and 46]*. The main argument in favour of the change to the 5 per cent method was not, however, the slight economy of scale which it might produce, but the effect it would have of ensuring that an equal amount of movement in the cost of living would be required to produce a change of class at all levels of PA (movements of the index due to changes in currency exchange rates continuing to be reflected immediately by fractional classes as hitherto) *[A/32/30, para. 54]*.

The existing method having been part of the proposals approved by the GA when it established the PA system on the recommendation of the 1956 Salary Review Committee, ICSC considered that the change called for a decision of principle by the GA and decided to submit a recommendation to that effect under article 10 of its statute. In addition, the implementation of the change would require amendment of the existing scales of PA approved by the GA in its resolution 31/141 as an annex to the Staff Regulations of the UN (and similarly approved by the legislative organs of the other participating organizations).

ICSC recommended that the existing scales be replaced by a table showing the amount of PA for one index point at each grade and step, as set out in annex II B of the 1977 annual report *(A/32/30)* (the amounts being identical with those in force) *[A/32/30, para. 55]*.

ICSC recommended that the GA should: (a) decide that, with effect from 1 July 1978, the system of PAs be revised to provide that changes in classes of PA be based on index movements of 5 per cent rather than of 5 points; (b) amend the Staff Regulations of the United Nations, with effect from the same date, by replacing the schedule of PAs provided for in paragraph 9 of annex I of the Regulations by the schedule reproduced as annex II B to the annual report; (c) authorize ICSC, acting under article

11 of its statute, to take all measures necessary for the implementation of the change *[A/32/30, paras. 54-56]*.

These recommendations were adopted by the GA in **resolution 32/200**, which: (a) noted the assurance given by ICSC that, in compliance with the request made in GA resolution 31/141 B, it would continue to keep under continual review the relationship between the levels of remuneration of the comparator national civil service and of the UN common system, in particular with respect to any divergencies which might result from the operation of the PA system; (b) requested ICSC to inform the GA at its 33rd session of the results of the review, which should include in particular the feasibility of establishing a modified system of PAs, taking into account the views expressed in its 1976 report *(A/31/30, para. 229)*, and to report on such steps as it may have taken to bring about appropriate corrective action either under the authority and with the means already at its disposal or by submitting a recommendation to the GA.

1978 **8th session (July)**: In response to the specific request of the GA that ICSC report on any divergencies between the levels of remuneration of the comparator national civil service and of the UN common system which might result from the operation of the PA system, ICSC first set out to study the extent to which the salary system and, in particular, the PA system, had protected the remuneration of staff of the P and higher categories against inflation and currency instability. It noted that since 1971 the GA had on two occasions approved increases in base salaries. Various improvements had further been introduced into the salary system *[A/33/30, para. 34]*.

ICSC also examined the proposals put forward by UNESCO and by GATT in 1975 for distinguishing between changes due to currency fluctuations and those due to inflation, as well as the proposals made by Mr. Frochaux to the 1971-1972 Special Committee for changes in the treatment in the PA system of the staff member's contribution to the Pension Fund, which were designed to give full compensation for changes in the PA index. *[Official Records of the GA, 27th Session, Supplement No. 28 (A/8728), vol. III, annex XIII] [A/33/30, para. 41]*. ICSC did not adopt these proposals but agreed to keep the matter under study *[A/33/30, para. 42]*.

ICSC continued its ongoing review of the relationship between the levels of remuneration of the comparator and the UN system as requested by the GA in resolution 32/200. ICSC concluded that: (a) although the PA system did compensate for inflation at the base of the system, the 1979 adjustments of US civil service salaries had, over a period of years, more than compensated for inflation, so that the risk of the margin widening for this reason was rather remote; (b) thanks to its constant monitoring of the evolution of the margin, ICSC would have ample advance notice if any such situation were to develop; (c) ICSC could take adequate and appropriate action to prevent any excessive widening from occurring, pending examination of the situation by the GA at its 34th session (1979); (d) this being so, it was unnecessary to further complicate the PA system and jeopardize its working by introducing into it an automatic corrective device to prevent the widening of the margin *[A/33/30, para. 142]*.

In **resolution 33/119**, the GA: (a) approved ICSC's intention to keep under review the effects of currency instability upon the UN common system of salaries and allowances, to continue its efforts to eliminate possible anomalies in PAs at certain duty stations and to seek to improve the system; (b) noted the ICSC report on the evolution of the relationship between the remuneration of the P and higher categories of the UN common system and the comparator national civil service and ICSC's conclusion on safeguards existing against possible undue widening of the margin between the levels of the remuneration of the two services resulting from the operation of the PA system.

1979 In **resolution 34/165**, the GA: (a) endorsed the efforts of ICSC to strengthen the UN common system by adjusting it to changing circumstances, especially those caused by currency fluctuations; (b) requested ICSC to begin urgently a fundamental and comprehensive review of the purposes and

operation of the PA system, with a view to eliminating distortions and anomalies in the resulting levels of remuneration at the various duty stations and grade levels and thereby achieving an improved mechanism for adjusting UN remuneration to reflect more accurately the differences in the cost of living at the various duty stations and their evolution over time as a result of inflation and currency fluctuations, and to report thereon to the GA at its 35th session.

1980 **11th session (February/March)**: ICSC considered the above request of the GA. It concluded that, given the complexity of the matter, a complete review would be impossible in time for the 35th GA. It decided therefore to take a phased approach towards identifying problems and finding solutions for them. The first step decided on was to provide the GA at its 35th session with an explanation of the principles, purposes and present operation of the system, outlining its complexities and pointing out differences between the scope of PA and that of similar systems used by national civil services for compensating their personnel abroad. ICSC also decided that, as a first phase in identifying problems, certain issues in connection with the system should be studied on a priority basis. Areas mentioned were possible distortions in high cost-of-living areas, the problem of out-of-area commitments particularly for staff assigned to low cost-of-living areas, and the treatment of pension contributions as a part of PA *[A/35/30, paras. 124-126]*.

12th session (July/August): ICSC agreed that consolidation of 30 points of PA into base pay on the basis of no loss and no gain would redress to some extent the anomalies mentioned in its annual report *[A/35/30, para. 94]* (i.e., that base salary constituted a relatively small proportion of total remuneration and that pensionable remuneration was so much higher than gross salary) but more importantly help the situation *vis-à-vis* the Tax Equalization Fund and at the same time avoid subjecting too many staff members to deductions from base salary on account of negative PA classes. It therefore recommended to the GA that: (a) 30 points of PA should be consolidated into base salary on the basis of no loss and no gain; (b) for the purposes of calculation, PA indices at all duty stations as at 1 March 1980 and pensionable remuneration as at 1 July 1980 should be used; (c) the PA index effective 1 January 1981 for each duty station obtained following consolidation of 30 points of PA should be used for the determination of PA classification of that duty station as at 1 January 1981. (ICSC noted that this would mean that some duty stations would have partial negative PA classes which was a departure from the system. Moreover, for a small number of duty stations, PA indices of less than -20 would become effective 1 January 1981, although -20 was the bottom level at that time. Application of partial negative classes and PA indices of less than -20 following consolidation was essential in order to avoid giving large increases in remuneration to staff at these duty stations); (d) resulting salary scales should become effective on 1 January 1981; (e) pensionable remuneration, with effect from 1 January 1981, should be calculated on the basis of post-consolidation gross salaries, using the method outlined in paras. 64-67 of its annual report *[A/35/30, para. 101]*.

After consideration of the report of the 5th session of ACPAQ *(ICSC/R.229)*, ICSC decided to reduce the PA index for Geneva by one class from its October 1979 level, which was 244.1 at the exchange rate of SF1.69 to the US dollar. The new index for October 1979 would then become 232.5 at the same exchange rate. The old index would remain frozen until the new index reached 244.1, when customary updating procedures would recommence. Adjustment for currency fluctuations would continue without interruption, as heretofore *[A/35/30, para. 146]*. ICSC approved ACPAQ's recommendation regarding the price progression factor of out-of-area expenditures that a factor of 1.4 per cent (not compounded) be adopted with effect from 1 July 1980, **1980** subject to review at ACPAQ's 6th session (1981). ICSC adopted ACPAQ's recommendation that a special working group of ACPAQ be established to undertake studies for improving the methodology for cost-of-living measurement consisting of experts thoroughly acquainted with the subject matter and including some experts to be proposed by CCAQ and FICSA which should report to ACPAQ in 1981 *[ICSC/240, paras. 108-113]*.

By **resolution 35/214**, the GA: (a) requested ICSC to intensify and speedily to conclude its fundamental and comprehensive review of the purpose and operation of the PA system as requested in GA resolution 34/165 (1979) by fully taking into account the causes of possible anomalies and to submit the results of the review to the GA at its 36th session; (b) decided that for staff in the P and higher categories, 30 points of PAs be consolidated into base pay, with effect from 1 January 1981, resulting in salary scales (gross and net), PA schedules and scales of staff assessment and pensionable remuneration as set forth in annexes II, III, IV and corr. to annex V to ICSC's report *(A/35/30)*; (c) decided that the base of the PA system be changed from New York at 100 as at November 1973 to New York as at October 1977.

1981 **14th session (July)**: ICSC noted that although much progress had been made towards improving the methodology for cost-of-living measurement surveys, further work remained to be done, not only on the methodology but on the other aspects of the PA system. It agreed that ACPAQ would have a continuing role in monitoring the implementation of the revised methodology and in proposing further improvements to the system as a whole *[A/36/30, para. 110]*.

The progress made by ICSC concerning the review of the purposes and operation of the PA system was reported to the GA in ICSC's 6th and 7th annual reports *[A/35/30 andA/36/30]*. In **resolution 36/233**, the GA requested that ICSC give high priority to the completion of the fundamental and comprehensive review of the purposes and operation of the PA system with a view to avoiding distortions in the system and ensuring equity.

1982 **16th session (July)**: ICSC agreed to report to the GA that the comprehensive review of the PA system was basically complete. It pointed out, however, that the PA system was continually evolving to meet new economic and statistical developments; thus, the fundamental review made by ICSC over the past three years would provide a basis for further improvements and adjustments. ICSC would continue to guide its secretariat on the long-term studies under way or planned *[A/37/30, para. 138]*.

ICSC agreed with the ACPAQ recommendation that its secretariat should continue to study the issue of local currency appreciation and that, in the meantime, in all countries where such appreciation had taken place between the last two place-to-place surveys a **remuneration correction factor** should be applied to modify the PA multipliers of the affected duty stations, with effect from 1 August 1982. The adjustment to the PA multiplier should continue to be made until the result of any new place-to-place survey was available for implementation or a permanent solution to the problem was found *[A/37/30, para. 146]*.

By **resolution 37/126**, the GA noted the results of the review by ICSC of the purposes and operation of the PA system and in particular invited ICSC to continue to improve the methodology for cost-of-living measurements.

1983 **18th session (July/August)**: ICSC considered ACPAQ's report on its 8th session *(ICSC/18/R.8)*. It approved the recommendations of ACPAQ with regard to the following issues: (a) comparison of domestic service costs in place-to-place surveys; (b) time-to-time adjustments to PA indices for New York and Washington, D.C.; (c) methodology for adjusting for differences in cost of living and currencies in the comparator country studies *[A/38/30, para. 35] (for details see section 2.1.71)*.

ICSC also decided that a special session of ICSC would be held following the 8th resumed session of ACPAQ (October/November 1983), at which ICSC would consider the ACPAQ recommendations concerning cost-of-living surveys at the six HQ locations and Washington, D.C. ICSC also agreed to the recommendations of ACPAQ, on an exceptional basis, regarding access to additional information

in that round of surveys to be granted to expert consultants appointed by the administrations and staff representatives *[A/38/30, para. 38]*.

Special session (November): ICSC agreed that no decision with regard to the PA classifications to be applied to various duty stations should be taken for the time being. Since the studies requested by ACPAQ were to be considered by the Committee at its 9th session (May 1984), it would wait until then to address the matter *[ICSC/S-1/R.4, paras. 27 and 28]*.

ICSC expressed concern at the lack of participation by staff in cost-of-living surveys and decided to request the executive heads and staff representatives to ensure that staff participated fully in the surveys under way or anticipated. In instances where the rate of response was low, it instructed its secretariat to determine PA indexes on the basis of the guidelines provided by ACPAQ at its resumed 8th session *[ICSC/S-1/R.4, para. 29]*.

ICSC concluded that no further action on its part was necessary and that the concerns expressed by the Geneva staff should be addressed within the framework of the decisions reached to date. ICSC took note of the explanations given by the secretariat that inasmuch as the survey in Geneva was still in process, it was possible to avoid some of the problems which had occurred in other duty stations after completion of the surveys *[ICSC/S-1/R.4, para. 30]*.

By **resolution 38/232**, the GA: (a) expressed its concern that ICSC was unable to make corrections in the current PA classification at certain duty stations in spite of the fact that the PAs were found to be higher than those which the results of the new cost-of-living survey could justify; (b) noted the efforts by ICSC to improve the PA system and requested ICSC in this regard to expedite, in particular, the application of the revised methodology for cost-of-living measurement, called for in GA resolution 34/165 (1979); (c) called upon the executive heads of organizations and the staff of the UN common system to cooperate fully with ICSC in the application of the PA system; (d) noted the introduction by ICSC, with effect from 1 April 1983, of a rental subsidy scheme for staff in the P and higher categories at HQ and other duty stations not previously covered by a subsidy scheme; requested ICSC to monitor this rental subsidy scheme with a view to ensuring both its equity and its effectiveness *(for details, see section 2.1.72).*

1984 **20th session (July)**: ICSC recalled that ACPAQ, at its resumed 8th session, had noted that as a result of certain procedures which had been followed for the determination of the New York PAI in 1964, when Geneva was the base of the PA system, and once again in 1974, when the base was moved from Geneva to New York, serious distortions in the New York PA index could have been introduced. ACPAQ was of the view that the result of that mix of factors, each of which had played an important role *vis-à-vis* the PA index for New York over a period of almost 20 years, had to be examined in depth to ascertain the exact extent to which the PA index for New York was affected *[A/39/30, para. 152]*. ICSC agreed that the anomalous situation with regard to the PA index for New York must be corrected. It, therefore, decided under article 11 (c) of its statute to increase the New York PA by 9.6 per cent to bring it to the level of 170.86 as of October 1982 as recommended by ACPAQ. The adjusted index for New York should be used for determining the PA classification of all duty stations with effect from 1 August 1984, with the understanding that the costs for some organizations would be partially offset by savings in others, and that the executive heads would take such action as may be required through the budgetary process in each organization *[A/39/30, paras. 163-165]*.

At its 16th session (1982), ICSC had agreed that adjustments should be made to PA classifications of duty stations where substantial appreciation of local currency took place between place-to-place surveys. In accordance with this decision, adjustments of four and one multiplier points had been made to the PA classification of Geneva and Vienna respectively. After considering the view expressed by

ACPAQ, ICSC decided that with effect from 1 August 1984, these adjustments should cease to be made. ICSC noted, however, the special circumstances of this situation and decided that this should not be a precedent *[A/39/30, paras. 169 and 170]*.

ICSC approved the procedure recommended by ACPAQ in cases of abrupt and substantial devaluation of local currency in relation to the US dollar which would call for a reduction in the PA multiplier by more than 16 points. It decided that the interim classes of PA that might result from phasing out the reduction should not be regarded as fixed entitlements *[A/39/30, paras. 174 and 175]*.

In **resolution 39/27**, the GA, recalling its resolution 31/141B (1976), noted with concern that the UN/US net remuneration margin would widen to the order of 24 per cent following ICSC's decision to increase the PA index in New York, by 9.6 per cent. This decision had led to an increase of one class of PA in New York in August 1984 and would entail a further class in December 1984. The GA considered that a margin of 24 per cent was too high in relation to past levels of the margin and, consequently, requested ICSC 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 UN in New York and that of the comparator civil service and its effect on the operation of the PA system; (b) submit its recommendations to the GA at its 40th 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 had been within a reasonable range of 15 per cent; (ii) the technical measures which would be applied by ICSC to ensure that the PA system operated within the framework of the defined margin range; (c) take the necessary measures to suspend implementation of the increase in PA for New York envisaged for December 1984, pending receipt by the GA at its 40th session, and action thereon, of ICSC's recommendations regarding the margin and other measures referred to in subparagraphs (a) and (b) above; (d) take whatever related measures were required in respect of the PA 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.

ICSC had also recommended that 20 points of PA be consolidated in base salary. This recommendation was adopted by the GA *(for details, see section 2.1.80)*. The GA also decided to change the base of the PA system from New York at 100 as at October 1977 to New York at 100 as of December 1979.

1985 **21st session (March)**: ICSC decided that: (a) the remuneration in New York should continue to remain at its current level of PA and that immediate measures should be taken to ensure equivalence of purchasing power between New York and other duty stations, pending consideration of ICSC's recommendation by the GA at its 40th session; (b) the GA should be requested to approve a range for the net remuneration margin of 110 to 120, with a desirable level of around 115 as well as the procedure outlined in the report, which would enable ICSC to operate the PA system within the approved range *[A/40/30, paras. 120-122 and 131]*.

22nd session (July): ICSC reviewed recommendations resulting from the 10th session of ACPAQ *(ICSC/22/R.7)* which 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 GA's consideration of ICSC's recommendations on a margin range; the operation of the PA system within a defined margin range; problems relating to duty stations with low or negative PAs; separation of the effects of inflation and currency fluctuation within the PA system and establishment of separate rental deduction thresholds within the rental subsidy scheme *[A/40/30, para. 132]*.

ICSC noted that when the PA classification in New York was "frozen", that of other duty stations concerned should also be frozen. It accordingly approved procedures for the equalization of purchasing power between New York and other duty stations concerned. Those procedures should be applied in future in the case of all duty stations for the purpose of equalizing purchasing power should it become necessary to suspend implementation of a PA class due in New York as a result of the operation of the PA system within a defined margin range *[A/40/30, paras. 138 and 139]*.

By **resolution 40/244**, the GA requested ICSC: (a) to further elaborate procedures for the operation of the PA system within the approved net remuneration margin range, which would enable ICSC to maintain the margin at a level around the desirable mid-point of 115 over a period of time, and to report thereon to the GA at its 41st session; (b) to continue its studies of the PA system as it related to UN officials posted outside the base city of the system, the effects of exchange rate fluctuations and the possibility of eliminating PA at the base city of the system, and to report thereon to the GA no later than its 42nd session.

1986 **24th session (July)**: ICSC considered the report on the 11th session of ACPAQ *(ICSC/24/R.7)* and noted that the recommendations on **the methodology for the conduct of cost-of-living surveys** sought to achieve a balance between the need for statistical accuracy and for simplicity in data collection and analysis procedures, and to provide simplified methods that could be used quickly and effectively in cases of high inflation and/or substantial devaluation of the local currency. ICSC approved the ACPAQ recommendations with some modifications. The full text of the changes made in the methodology was reproduced as annex III to the report of the 24th session *(ICSC/24/R.22)*. ICSC approved with some changes the procedure recommended by ACPAQ relating to **access to cost-of-living survey data and the consultation process** between the secretariat of ICSC and the organizations and staff *(details of the approved procedure are provided in section 2.1.71)*. ICSC indicated that its intent in approving the above procedure was to make the survey process as transparent as possible *[A/41/30, paras. 119 and 120]*.

In regard to **duty stations with extreme PAs,** ICSC decided that pension contributions should be treated as a separate component of the PAI. The PAI would thus consist of three separate elements: (a) the in-area portion, updated by movements of local prices and exchange rate changes; (b) the out-of-area portion, including out-of-area non-consumption commitments, updated by the out-of-area price progression factor; (c) the pension contribution portion, to be expressed in US dollars and to remain constant unless there was a change in the scale of pensionable remuneration or the rate of pension contribution. ICSC further decided to add to the out-of-area component ((b) above), an amount corresponding to 5 per cent of net base salary, to account for out-of-area non-consumption expenditures. ICSC noted that the separate treatment of the pension contribution and the inclusion of non-consumption commitments in the out-of-area index would lead to an increase in PAIs for duty stations with a very low PA classification and a corresponding decrease at locations with a very high PA classification. The costs of this decision were estimated at $200,000 per annum system-wide but in the long run the solution was expected to be cost-neutral. It was implemented with effect from 1 January 1987 *[A/41/30, paras. 121-124]*.

In connection with the **separation of the effects of inflation and currency fluctuations in the PA system**, ICSC noted that, owing to the regressivity built into the PA system, exchange rate fluctuations directly affected take-home pay. Noting that two organizations (WIPO and UPU) had already taken steps independently to remedy the situation, while a third (GATT) was considering similar action, ICSC decided to approve the procedure that had been recommended by the organizations, establishing a **remuneration correction factor (RCF)** on an interim basis with effect from 1 September 1986. ICSC requested its secretariat to monitor the implementation of this procedure which was to be used at the six HQ locations other than New York, as well as in European countries with fully convertible

currencies and in Japan. ICSC requested ACPAQ to continue its study of the issue with a view to the development of a long-term universal solution. At the June 1986 exchange rate, the cost to the system of application of the RCF over one year would be $1.8 million.

Should the US dollar strengthen sufficiently in the future in relation to other currencies, this measure would result in savings for the organizations *[A/41/30, paras. 125-127]*.

In response to the request made by the GA in resolution 40/244, ICSC considered the issue of the **possible elimination of the PA in New York**. It requested ACPAQ to continue its study of this matter *[A/41/30, para. 128]*.

ICSC also decided that at duty stations where special measures had been applied but where post-devaluation inflation had been lower than anticipated, a part of the benefit provided by the special measures should be eliminated. Where appropriate, mini-surveys should be used to determine the excess PA. The reduction should proceed at the rate of 5 multiplier points per month, and be calculated as the lower of: (a) the difference between the notional index and the PA index resulting from a cost-of-living survey, less 5 multiplier points; or (b) the benefit provided under the special measures, less 5 multiplier points. Two months' notice should be given to the organizations and staff concerned before application of those corrective measures *[A/41/30, para. 129]*.

1987 **1987 25th session (March)**: In regard to the separation of the effects of inflation and currency fluctuations in the PA system, ICSC decided on procedures for application in countries where the RCF was applicable and the US dollar had devalued in relation to the local currency by 20 per cent or more since the last place-to-place survey. The procedures should be applied with effect from 1 April 1987 until the end of August 1987 by all participating organizations and at all duty stations affected. ICSC also reiterated that the decisions taken at its 24th session regarding the RCF should be applied by all organizations of the common system, including those that had not yet done so *[A/42/30, paras. 170-172]*.

26th session (July): ICSC considered a request by the UN for the **consolidation of 20 points of PA into base salary**. It noted that the request had been made in view of a projected deficit in the UN Tax Equalization Fund. Bearing in mind that consolidation would place a large number of additional duty stations in a negative class of PA and would have significant cost implications, ICSC focused its consideration on a proposal which would deal with the projected imbalance in the Tax Equalization Fund without resorting to consolidation and which would have no impact on PA classifications *[ICSC/26/R.25, paras. 32 and 34] (for details, see section 2.1.80)*.

ICSC considered the report of the 12th session of ACPAQ *(ICSC/26/R.5)*. Among the issues considered were the cost-of-living methodology, the rental subsidy scheme for both HQ and field duty stations, the separation of the effects of inflation and currency fluctuations, the elimination of PA at the base, the out-of-area price progression factor and multiple exchange rates *[A/42/30, para. 155]*. ICSC approved several ACPAQ recommendations on methodological changes regarding education costs, domestic service and housing costs, measurement of out-of-area non-consumption expenditures and automobile purchases which were to be used in future cost-of-living surveys *[A/42/30, para. 160]*.

ICSC further decided that the out-of-area price progression factor should be calculated on a monthly basis. The progression factor should provisionally be based on a basket of currencies comprising those included in the European Currency Unit (ECU), together with those of Austria, Hong Kong, Japan, the Scandinavian countries, Singapore, Switzerland, the United Kingdom and the United States. ICSC requested its secretariat to carry out a special survey of out-of-area expenditure, both consumption and non-consumption, in order to enable it to adopt appropriate indicators for updating consumption

expenditures and non-consumption commitments. In the meantime, the out-of-area progression factor, as revised, should be applied for updating out-of-area consumption and non-consumption expenditures on a trial basis for one year. The implementation date for the new out-of-area factor would be 1 September 1987 *[A/42/30, paras. 165 and 166]*.

In regard to the RCF, ICSC decided that: (a) the out-of-area price progression factor resulting from the application of the procedure approved at the 26th session should be used to calculate the RCF for all applicable duty stations; (b) the floor protection amounts established in accordance with the procedure approved at the 25th session should be recalculated after taking into account the effects of the revised out-of-area price progression factor procedure; (c) a ceiling on the pay in countries where floor protection procedures were applied should be determined by reference to the rate of exchange resulting from 20 per cent revaluation of the US dollar *vis-à-vis* the local currency with respect to the rate of exchange in effect at the time of the last place-to- place survey; (d) the revised RCF, the floor protection amounts and the ceiling provisions referred to in subparagraphs (a) to (c) above should be used for determining the PA classifications of duty stations affected as of 1 September 1987 *[A/42/30, para. 173]*. The cost of these measures was estimated at $5.5 million per annum system-wide at July 1987 exchange rates. If the US$ strengthened sufficiently in the near future in relation to other currencies, savings would result *[A/42/30, para. 176 and page xxii]*.

ICSC further decided that a small working group composed of staff of the ICSC secretariat and the representatives of organizations and staff should be established to study the problems connected with the **separation of the effects of inflation and currency fluctuations in the PA system**. ICSC noted that several proposed methods/solutions for dealing with the problem had been submitted to ACPAQ and to ICSC itself. These and other possible solutions that the working group itself might develop should be evaluated in terms of their technical soundness and practical implications. At the same time the group should also investigate the feasibility of a long-term and a generally applicable solution. The findings of the working group were to be submitted to ICSC at its 27th session. On the basis of the report from the working group and additional information, as required, ICSC would revert to this matter at its 28th 1988 session with a view to arriving at a long-term solution. The ICSC decisions regarding the RCF above were to remain applicable until ICSC reviewed the matter at its 28th 1988 session *[A/42/30, para. 174]*. The GA noted this decision in **resolution 42/221**.

In response to the request made by the GA in resolution 40/244 (1985), ICSC considered the issue of the **possible elimination of PA in New York**. It examined the results of the ACPAQ study and noted that the small number of advantages resulting from the elimination of the PA at the base would be far outweighed by a large number of disadvantages. The GA request to study the possibility of eliminating PA in New York had been made at a time when the Assembly was concerned about the level of the margin. A range for the margin had since been established and a procedure was in place that enabled ICSC to operate the PA system within that defined margin range which had produced the desirable results. Consequently, the elimination of the PA at the base, which was prompted by the Assembly's concern as outlined above, was no longer warranted. ICSC therefore recommended to the GA that, for the time being, the PA should be maintained at the base of the system, New York *[A/42/30, paras. 177 and 178]*. The GA noted this recommendation in **resolution 42/221.**

In respect of the operational aspects of the PA system, ICSC approved for implementation with effect from 1 August 1987 the ACPAQ recommendations on special measures for high inflation and for continuous and steady devaluation *[A/42/30, paras. 179 and 180]*.

ICSC examined documentation by its secretariat regarding conditions of service in the field for the P and higher categories. It was informed that the administrations of the organizations with staff in the field were experiencing serious problems in the recruitment and retention of staff *[A/42/30, para. 182]*.

ICSC also considered the possibility of recommending a special allowance to be paid to staff members at duty stations where low and negative PAs applied. It concluded that the creation of yet another allowance that would vary according to the PA classification of a given duty station could result in introducing further complexities into an already complex system and might also result in some administrative difficulties. ICSC requested its secretariat to study this proposal further *[A/42/30, para. 193]*.

ICSC recommended to the GA that, with effect from 1 January 1988: (a) an index corresponding to the remuneration in New York adjusted downward by 15 per cent should be calculated. For all field duty stations with a PA index lower than the adjusted New York index mentioned above, only 75 per cent of the difference between the adjusted New York index and the actual PA index of the duty station should be applied. The PA classifications of the duty stations falling in the above category should correspond to the modified PA index; (b) in the application of the above formula, an absolute lowest limit of multiplier minus 5 should be placed on the PA classifications; (c) in the case of some field duty stations the PA classifications were substantially higher than that applicable at the base of the system, New York, and the exchange rates were known to have remained constant in relation to the US dollar for the last several years. In these cases it was determined that the high PA classification was primarily the result of the movement of the local consumer price index. In these duty stations only 80 per cent of the difference between the actual PA index of the duty station and the PA index corresponding to the remuneration in New York should be applied to determine a modified PA index. The PA index thus modified should be used for the determination of the PA classification of duty stations falling in this category. These duty stations should be reviewed by the ICSC secretariat on a case-by-case basis and specific recommendations relating to those where PA classifications were proposed to be reduced should be submitted to the ICSC Chairman for his approval *[A/42/30, para. 197]*.

By **resolution 42/221**, the GA, noting *inter alia* that the PA system was based on the concept of parity of purchasing power, decided that a comprehensive review of conditions of service of the P and higher categories should be undertaken *(see section 2.1.90)* having due regard, *inter alia*, to the need for long-term improvement in the PA system, including the separation of the effects of inflation and currency fluctuations and a simpler and more accurate reflection of differences in cost of living between the base of the system and field duty stations. The GA requested ICSC to submit to the 43rd session a preliminary report on the comprehensive review, containing an analysis of the subject together with an outline of one or more possible alternatives and to complete its review for presentation to the 44th session. It approved as an interim measure, for 1988 and 1989, the modifications to the PA system recommended in para. 197 of the annual report (A/42/30) for application at selected duty stations outside Europe and North America, while recognizing that this measure would not constitute an acquired right.

1988 **28th session (July)**: After consideration of the report on ACPAQ's 13th session, ICSC decided in respect of **the overall review of the PA system**: (a) to request its secretariat to carry out further studies regarding modifications to the cost-of-living survey methodology which would lead to simplifications and improvements in the survey process; (b) to approve a revised methodology for the calculation of PAIs at the time of place-to-place cost-of-living surveys at field duty stations where out-of-area expenditures amounted to 40 per cent or more of total expenditures; (c) to apply the revised methodology referred to in subparagraph (b) above for all cost-of-living surveys based on the price collection carried out in New York in November 1986. The results of the surveys should be used for the determination of the PA classification of the duty stations in question as at 1 January 1989 *[A/43/30, para. 33]*.

With respect to the **cost-of-living survey methodology,** ICSC decided that: (a) full place-to-place surveys should be carried out every 8 years and interim surveys every 4 years; (b) mini-surveys should be carried out at field duty stations at shorter intervals where necessitated by changes in local conditions *[A/43/30, para. 35]*.

In regard to the **effects of inflation and currency fluctuations** on the PA system, ICSC decided that: (a) ACPAQ recommendations concerning the procedures to be used for place-to-place measurements and time-to-time adjustments at duty stations in countries with convertible currencies, where out-of-area expenditures reported by staff members accounted for less than 25 per cent of total expenditures, should be studied further as part of the comprehensive review of the conditions of service of the P and higher categories; (b) in all other countries not meeting both criteria specified under subparagraph (a) above: (i) items predominantly purchased outside the duty station (60 per cent or more) should be considered as part of out-of-area expenditures; (ii) for place-to-place surveys the price ratio to be applied for out-of-area expenses should be the ratio of the average PAIs for duty stations in countries whose currencies were included in the basket of currencies approved by ICSC at its 26th session for the determination of the out-of-area price progression factor, to the PAI for New York; (iii) for time-to-time adjustments of out-of-area expenditures, the out-of-area price progression factor based on the basket of currencies referred to in subparagraph (ii) above should continue to be used (also see subpara. (d) below); (c) with effect from 1 June 1988, pension contributions should no longer be taken into account as an item of expenditure in the calculation of PAIs; (d) the procedure for the calculation of the out-of-area price progression factor approved by ICSC in July 1987 and recorded in its 13th annual report *(A/42/30, paras. 165 and 166)* should continue to apply until 31 August 1989. The resulting out-of-area price progression factor should continue to be used at all duty stations except New York and Washington, D.C.; (e) the remuneration correction factor (RCF) and floor protection measures described in ICSC's 12th and 13th annual reports *(A/41/30, paras. 125 and 126 and A/42/30, paras. 170-173)* should continue to apply, for the time being, at the duty stations concerned *[A/43/30, para. 37]*.

Based on the recommendation of ACPAQ, ICSC approved the cost-of-living survey results for London, Montreal, Paris, Rome and Washington, D.C. In that connection ICSC decided that in the case of duty stations where the RCF and floor protection measures applied, the following procedures should be used when implementing the result of new place-to-place surveys: (a) post adjustment multipliers, including RCF and floor protection measures, where applicable, should be calculated on the basis of the exchange rate in effect at the time of the latest place-to-place survey; (b) where the post adjustment multiplier resulting from the procedure described in subparagraph (a) above was higher than the multiplier in effect, the revised PA multiplier should be implemented; (c) where the PA multiplier resulting from the procedure described in subparagraph (a) above was lower than the existing multiplier, take-home pay expressed in local currency should be frozen until a new full class of post adjustment was reached using the exchange rate on the date of implementation of the survey results *[A/43/30, para. 41]*.

ICSC decided that place-to-place surveys should be carried out in Geneva and Vienna in the fall of 1988, as scheduled *[A/43/40, para. 42]*.

In **resolution 43/226**, dealing with the comprehensive review of the conditions of service of the P and higher categories, the GA recalled resolution 42/221 (1987), and requested ICSC, in the context of equalizing purchasing power to consider among other alternatives: (a) the division of the pay package into its major component parts, one of which would be housing, reflecting the spending patterns of staff; (b) major simplification of the PA system including eliminating negative PA, separating out the housing component and streamlining the cost-of-living survey and computation process.

As recorded in section 2.1.40, the PA at the base (New York) was "unfrozen" as of 1 June 1988 when it was raised to class 8, multiplier 48. It was further increased to class 9, multiplier 55, as of 1 January 1989 and to class 10, multiplier 63, as of 1 May 1989 *(for details, see section 2.1.40)*.

1989 **30th session (August)**: ICSC examined the results of the cost-of-living surveys carried out in October 1988 in Geneva and in November 1988 in Vienna, which the staff felt should not be implemented. ICSC noted that due to an extremely low rate of staff response 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. ICSC noted, however, that established technical standards had been maintained in price collection and processing of the data in both surveys. ICSC also took into account the implications of low response rates for future surveys. On balance, it was of the view that the survey results should be implemented, thus avoiding a precedent whereby low staff response rates would provide a basis for setting survey results aside. While expressing strong concern over the low rate of response by staff, ICSC observed that it was unlikely that this type of problem would be encountered in future due to changes in the PA methodology recommended within the scope of the comprehensive review. ICSC decided that the results of these surveys should be implemented with effect from 1 September 1989 *[A/44/30, vol. I, paras. 78 and 79]*.

On the basis of its consideration of the report of ACPAQ on its 15th session *(ICSC/32/R.5)* and of the report of the Working Group on the comprehensive review of the conditions of service of staff in the P and higher categories, ICSC undertook an examination of problems confronting the PA system, under the following groupings: (a) the practical problems of purchasing power parity; (b) secondary system-related problems surveys; (c) problems related to the operation of the system *[A/44/30, vol. II, paras. 204-207]*.

ICSC noted that although measurement exercises using surveys had become more elaborate, the feasibility of applying the results directly to remuneration amounts had decreased. A number of rules and devices had had to be used to modify the strict relativities that the survey and computation process produced. While each of these was justified on its own terms, the cumulative effect had been to increase complexity and reduce the transparency and predictability of the system *[A/44/30, vol. II paras. 208 and 209]*.

A wide range of possible solutions to PA problems were reviewed by ICSC:

(1) **Solutions relating to those elements of remuneration that could be subject to adjustment for relativities:** (a) housing *(see section 2.1.130 - remuneration structure)*; (b) spendable income. ICSC considered the applicability to the UN remuneration system of the concept of spendable income as utilized in the comparator civil service. ICSC recognized that there were a number of significant differences in this respect between the common system and the comparator civil service and that, while the concept of spendable income might be applicable in a national setting, the situation of international organizations was different *[A/44/30, vol. II, paras. 212 and 217]*.

(2) **Solutions relating to methods by which relativities are measured and adjusted, i.e., the survey or data acquisition and computation stage:**
(a) common expenditure weights: ICSC noted that the use of common weights would be a major improvement in the system. It would simplify the data collection process and should enhance the timely release of cost-of-living survey results. ICSC decided that **a single set of common expenditure weights** should be used in post adjustment calculations at all duty stations. The procedures recommended by ACPAQ to derive common expenditure weights should be used. These procedures

provided for the use of the weighted arithmetic average of expenditure weights based on consumption patterns at the 7 HQ duty stations, plus Washington *[A/44/30, vol. II, paras. 218-221]*.
(b) use of reduced number of items in cost-of-living surveys: ICSC noted that the current list of items and sub-items used for price collection in cost-of-living surveys consisted of 900 items and sub-items. Based on ACPAQ's recommendation, ICSC had agreed, at its 28th session, to the establishment of a reduced list of items for cost-of-living surveys. A preliminary list with approximately 250 items and sub-items had been drawn up, in consultation with the organizations and the staff bodies. It had then been tested extensively. ACPAQ had reviewed the test results at its 14th session and recommended to ICSC that the reduced list be implemented. ICSC noted that use of a reduced list of items for price collection would simplify the survey process and facilitate more timely announcement of survey results. It would not significantly affect the results of cost-of- living surveys for virtually all duty stations. ICSC decided that the PA survey process would be simplified by adopting the reduced list of items recommended by ACPAQ *[A/44/30, vol. II, paras. 223-226]*.

(c) treatment of out-of-area expenditures: Percentage bands would be established for out-of-area expenditures and expenditure items that should be considered as out-of-area were identified. The use of separate indices for New York and Washington should therefore be discontinued. ICSC noted that, in general, out-of-area expenditures for HQ duty stations were relatively small as a portion of total expenditure, while for field duty stations they were proportionately much larger. There were inherent difficulties in precise measurements of out-of-area expenditures and additional problems in hard currency duty stations. ICSC discussed the grouping of countries into bands for purposes of applying differentiated out-of-area weights, noting that lowering the out-of-area weight in hard-currency duty stations reduced the effects of currency fluctuation on take-home pay.

ICSC decided that: (a) countries should be grouped into the following bands for the purpose of out-of-area weights:

Bands with actual out-of-area weights Out-of-area weights used (Percentage) (Percentage)

Less than 25 10 Between 25 and 40 35 Between 25 and 40 35 Between 40 and 60 50 Between 60 and 80 70 More than 80 85

(b) the following expenditures should be considered as fixed dollar amounts at all Group II (i.e., soft-currency) duty stations and should be treated as out-of-area expenditures: health insurance; life insurance; remittances to maintain family members abroad; other out-of-area commitments; automobile purchases; purchases of other durable goods such as furniture, household appliances, glassware, tableware and utensils in general, sports equipment, photographic, video and audio equipment; vacations and home leave; (c) certain items of expenditure should be considered as out of area in places where the major proportion (60 per cent or more) of the expenditures for the specific group or subgroup was incurred out of area; (d) expenditures in neighbouring countries should continue to be treated as in-area expenses in accordance with the present practice, i.e., price ratios should be calculated on the basis of prices collected in the country where the items were bought. Updating should be based on the movement of the consumer price index in the neighbouring country; (e) out-of-area expenditures for the items identified in subparagraph (b) above should be calculated in dollar terms and the amount of expenditure for each group and subgroup of the item classification should be the same in all duty stations; (f) the out-of-area portion should be updated by an index based on HQ duty stations, plus Washington, weighted by the number of staff in the P and higher categories. The methodology referred to in paragraph 220 of the annual report should be used for weighting purposes; (g) a single out-of-area index should be used for all duty stations to improve the internal consistency of the post adjustment system; (h) floor and ceiling measures should be established to

govern out-of-area computations for Group I (i.e., hard currency) duty stations that would limit potential fluctuations due to currency fluctuations to not more than

0.5 per cent of take-home pay *[A/44/30, vol. II, paras. 227-231]*.

(d) use of external data sources: ICSC noted that under the existing system, all price data were collected either by the ICSC secretariat or by pricing agents employed on a temporary basis by ICSC. All data used in the establishment of common expenditure weights were collected directly from eligible staff members using several questionnaires. In response to the GA's request, ICSC analysed the feasibility of utilizing external data sources, both public and private, which published timely and accurate data relevant in the context of conditions of service of the P and higher categories. ICSC considered that the conditions laid down for the use of data from external sources should be carefully observed. The ICSC secretariat should submit a report to ICSC in 3 to 4 years describing its experience with the use of such data and bringing any difficulties encountered to the attention of ICSC *[A/44/30, vol. II, paras. 232-234]*.

ICSC decided to use external data sources for prices and housing costs to supplement or replace existing sources whenever benefits of cost and timeliness existed, in order to streamline the post adjustment system. Adequate control should be exercised over the quality, accuracy and consistency of all data obtained from external sources *[A/44/30, vol. II, paras. 235 and 236]*.

(3) Solutions related to the rules and procedures whereby measured relativities are reflected in remuneration:
(a) separation of the effects of currency fluctuations and inflation: ICSC noted that three factors explained the adverse effects of currency fluctuations at duty stations subject to exchange rate fluctuations not related to cost of living: (i) as a result of the regressivity in the system, when local currencies appreciated, the post adjustment increased in dollar terms by a lower percentage than the revaluation. As a result, net salary plus post adjustment in local currency decreased. When local currency depreciated the reverse was true, creating windfall gains; (ii) a substantial part of the PA (the out-of-area portion) reflected average movements of exchange rates in 21 different countries. When the revaluation of the currency of a specific country *vis-à-vis* the US dollar was greater than the average revaluation of the 21 currencies concerned, there was a reduction in take-home pay in local currency. The reverse also held true; (iii) the additive (as opposed to multiplicative) method was used for computing the movement of PA multipliers at duty stations where the PAI differed from the current multiplier. When there was a large difference between the PAI and the multiplier pay index, the current method understated the effect of a revaluation of the local currency on the post adjustment multiplier and overstated the effect in cases of devaluation.

ICSC noted that one of the original objectives of the comprehensive review, as seen by the GA in resolution 42/221, was the separation of the effects of inflation and currency fluctuations in the post adjustment system. ICSC recalled several previous attempts to deal with the problem that had resulted in a number of *ad hoc* measures that had added to complications in the system. It considered two alternative solutions to the problem: (a) elimination of regressivity in the system, adjustment of the out-of-area component by use of a floor protection measure and replacement of the additive method of multiplier adjustment by the multiplicative method; (b) establishment of separate salary scales in local currency for hard currency duty stations.

Regarding the establishment of local salary scales, ICSC considered two possibilities: (i) the establishment of two poles for the system (New York and Geneva or one other hard currency duty station); (ii) the establishment of local currency scales for several hard currency duty stations (or multi-base system). Having weighed the options *(see A/44/30, vol. II, paras. 242-245)*, ICSC decided that the

possible use of separate salary scales for hard currency duty stations should not be pursued. Its views on alternative solutions, such as the elimination of regressivity, adjustment of the out-of-area component by use of a floor protection measure and replacement of the additive method of multiplier adjustment by the multiplicative method, are found in paras. 231(h) and 251-262 of the 15th annual report *(A/44/30, vol. II)*.

(b) **fre**quency of time-to-time adjustments: With a view to introducing more stability in the PA system, ICSC decided: (i) to review PAIs at HQ and other European and North American duty stations on a monthly basis for both cost-of-living and exchange-rate movements. Changes in post adjustment/cost-of-living allowances in respect of cost of living should be granted either after a full 5 per cent movement had been measured or after a 12-month lapse since the last change, whichever came first. Changes resulting solely from currency fluctuations should continue to be implemented monthly whenever they became due; (ii) to review PAIs for field duty stations on a four-monthly cycle for both cost-of-living and exchange rate movements. Between those four-monthly reviews the PACs of the duty stations should remain unchanged. However, in the case of duty stations experiencing continuous devaluations, pricing surveys should be undertaken frequently; (iii) to carry out promptly new pricing surveys for field duty stations experiencing abrupt devaluations and reflect the increase as soon as the results were received. PA changes resulting from devaluations should be deferred by 2 months, following which a downward adjustment of a maximum of 10 multiplier points could be made *[A/44/30, vol. II, para. 250]*.

(c) use of a multiplicative rather than an additive method to adjust multipliers affected by exchange rate fluctuations: ICSC noted that the existing method consisted of calculating the change in points in the PAI resulting from currency fluctuation and adding those points to or subtracting them from the post adjustment multiplier. Under the multiplicative method, multipliers (used for calculating salaries) would move by the same percentage change as the PAI movement in cases of changes in exchange rates. ICSC decided that in the case of fluctuations in exchange rates, PA multipliers should be adjusted by the percentage change in the PAI. This measure would have no effect in New York and Washington or at duty stations where there was no large difference between the PAI and the pay index. For duty stations where such a difference existed, the multiplier would decrease more in cases of devaluation, and increase more in cases of revaluation, of local currency than under the current system *[A/44/30, vol. II, paras. 251-256]*.

(d) removal of regressivity and elimination of the remuneration correction factor and currency floor protection measures: The need to stabilize take-home pay in local currency at hard currency duty stations was widely accepted and had resulted in the introduction of the RCF, the net effect of which was to override the regressivity in the PA scale in relation to the in-area component of the PAI. ICSC noted that the RCF added to the complexity of administering the PA system. The removal of regressivity, combined with a revised treatment of the out-of-area component, would go a long way towards eliminating variations in the level of local-currency emoluments resulting from exchange rate fluctuations, and would constitute a further simplification of the system. While it would be cost-neutral in terms of changes in PA resulting from currency movements, some duty stations might benefit from PA changes due to changes in cost of living. It was considered necessary to remove all regressivity, with appropriate steps taken to ensure that the share of expenditure related to staff pension contributions and adjustments thereto was not shifted from the staff to the organizations. Pensions should therefore be handled as a separate component of the PAI *[A/44/30, vol. II, paras. 257-260]*.

ICSC recommended to the GA that: (i) all regressivity should be removed from the post adjustment system; (ii) pension contributions should be treated as a separate item in the post adjustment index so as to ensure that there would be no shift from staff to organizations in the share of expenditures relating to pension contributions. It decided that the current RCF and floor protection measures should

be discontinued, subject to, and in conjunction with, the removal of regressivity and the modification in the treatment of out-of-area expenditures *[A/44/30, vol. II, paras. 261 and 262]*.

(e) **elimination of special measures**: ICSC noted that the institution of an appropriate salary floor would eliminate the need for special measures for low and negative post adjustment duty stations. As for the measures associated with high inflation and abrupt or continuous devaluation, it was recognized that the incidence of application would be very greatly reduced by the introduction of a revised salary floor, the revision in the treatment of out-of-area expenditures, the use of mini-surveys and changes in the frequency of time-to-time adjustments. These special measures might therefore appropriately be eliminated, as long as the facility to apply *ad hoc* measures was retained by ICSC for use in extreme circumstances *[A/44/30, vol. II, paras. 263-265]*.

ICSC decided that the PA system should be simplified by the elimination of special measures for: (a) high inflation; (b) abrupt devaluation; (c) continuous devaluation; and (d) duty stations with a low or negative PAC. That decision was made subject to the understanding that the recommendation and decisions on establishment of a floor, treatment of out-of-area expenditures and the frequency of time-to-time adjustments were approved and implemented concurrently *[A/44/30, vol. II, para. 266]*.

By **resolution 44/198**, the GA endorsed the above ICSC recommendations and noted its decisions. It: (a) requested ICSC to reconsider the decision relating to the granting of PA increases due to cost of living at HQ and other European and North American duty stations; (b) instructed ICSC to complete as soon as possible, and preferably by the end of 1991, a round of place-to-place surveys using the methodology outlined in its report, on the understanding that the surveys at the 7 HQ duty stations and at other duty stations with more than 150 P staff members would be finalized by the end of 1990 and that, at duty stations with small numbers of staff members, every effort would be made to utilize external data sources; (c) confirmed that in locations where the index reflected in the PA multipliers exceeded the PAI, net remuneration would continue to be adjusted only to reflect currency fluctuations; (d) requested ICSC to devise measures to deal with duty stations where there was a significant difference between the PAI and the actual multiplier.

1990 **32nd session (July/August)**: ICSC took up the GA request to reconsider procedures for reviewing PACs for cost-of-living increases at HQ and other European and North American duty stations. After reconsideration, it reiterated the decision contained in its 15th annual report. It noted that no further action was required by the GA inasmuch as ICSC had taken the decision under the authority granted it by article 11 (c) of its statute *[A/45/30, paras. 125 and 134]*.

ICSC also addressed the GA request to devise appropriate measures to deal with duty stations where upon implementation of place-to-place survey results, a significant difference existed between the PAI and the actual multiplier. It decided that if: (a) the resulting PAI were lower than the existing pay index (i.e., multiplier + 100) by one PA class or less, the normal operation of the PA system should continue, i.e., the PAI should be allowed to catch up with the multiplier through adjustment for inflation; (b) the resulting PAI were lower than the existing pay index by more than one but less than 6 PA classes, the existing PAI should be reduced by one class every 6 months until the difference between the PAI and notional index was one class; (c) if the resulting PAI were lower than the existing pay index by 6 or more PA classes, the excess PA over and above 6 classes should be eliminated at the rate of one class every 3 months until the existing PA classification was 6 classes higher than the post adjustment indices. At this stage the procedure in (b) above would come into effect *[A/45/30, paras. 135 and 141]*.

ICSC considered the report of the 15th session of ACPAQ (ICSC/ACPAQ/15/R.7). It took a number of actions as detailed below.

ICSC: (a) took note of the arrangements agreed for administration and staff participation in the survey process for the current round of surveys, which allowed for independent experts selected by the organizations and staff bodies to participate in all phases of the survey, including price collection, under defined conditions; (b) took note of the survey programme; (c) decided that prices collected for seasonal items should be adjusted to account for seasonality at all duty stations where appropriate official price statistics were available; (d) took note of the plan to conduct family expenditure surveys to obtain expenditure weights at HQ duty stations and Washington in June 1990; (e) decided that the lists of outlets used in the current round of surveys should be the same as in the previous round of interim place-to-place surveys. The list could be modified to account for market changes and the elimination of certain items of expenditures resulting from the adoption of the reduced list of items for pricing, and to reflect comments from the duty stations concerned; (f) decided that local expenditure weights produced by national statistical authorities for income brackets similar to those of UN staff should be used with appropriate adjustments where low response to the family expenditure survey led to the collection of insufficient data or if existing weights were more than five years old; (g) decided to reconfirm the existing guidelines of six price quotations per item as the desirable minimum number. Items with two or less price quotations should be excluded from the comparison for index calculation. Sales prices should be treated following procedures already approved by ICSC on the recommendation of ACPAQ; (h) took note that the sample design was sound and should provide a margin of sampling error of not more than plus or minus 2.5 per cent; (i) decided that the ICSC secretariat should evaluate the sampling error *a posteriori* in the light of response rates and report the results to ACPAQ at its 16th session; (j) decided to reconfirm the use of random sampling in the family expenditure surveys in New York, Geneva, Vienna and Paris. The family expenditure questionnaires should be distributed to all staff members at Washington, Montreal and London to reduce the chance of an insufficient response at those duty stations. The results of the 1987 family expenditure survey, which had been undertaken on a sample basis, should be used for Rome. Sampling should not be used for the housing **1990** questionnaires; (k) decided that a special session of ACPAQ should be convened to review survey results for HQ duty stations and Washington, D.C. and make recommendations thereon to ICSC *[ICSC/32/R.24, para. 15]*.

ICSC approved the ACPAQ recommendations that: (a) in combining common weights with housing costs, the weight for housing should be based on the ratio of average net rents (i.e., net rents plus imputed gross rents for homeowners) to the remuneration of a staff member at the P-4/VI (D) level; (b) the modified Walsh formula should be used in conjunction with this procedure; (c) the definition of housing costs previously approved by ICSC should continue to be used *[ICSC/32/R.24, para. 17]*.

ICSC also approved the ACPAQ recommendation that: (a) the present out-of-area index based on a basket of 21 currencies should continue to be used for PAI calculations for all duty stations until the ICSC secretariat had undertaken the required survey of out-of-area expenditures in 1991-1992; (b) the following 7 bands for treatment of out-of-area expenditure should be used instead of the 5 bands previously adopted by ICSC:

Bands with actual out-of-area weights (Percentage)	Out-of-area weights (Percentage)
Less than 25	10
Between 25 and 35	30
Between 35 and 45	40
Between 45 and 55	50
Between 55 and 65	60
Between 65 and 75	70

ICSC noted that these changes to the PA system would introduce further simplifications in the survey process, improve technical procedures and facilitate the implementation of agreed measures *[ICSC/32/R.24, paras. 13-21 and A/45/30, para. 194]*.

ICSC decided that a special session of ACPAQ should be convened in New York in October 1990 to review the results of the place-to-place surveys for HQ duty station *(see section 2.1.71)*.

ICSC consideration of the treatment of housing under the remuneration system and of the methodology for calculating rent indices at HQ duty stations is reflected in sections 2.1.130 and 2.1.72 respectively.

In **resolution 45/241,** the GA *inter alia* requested ICSC to establish a pilot project designed to simulate the operation of the ICSC proposals in a limited number of duty stations where valid housing comparisons were difficult or impossible on the understanding that housing would remain within the PA system in the meantime, and to report on experience gained with that project to the GA at its 46th (1991) session.

Third special session (November): ICSC considered the report of ACPAQ on the work of its 1st special session. It approved the results of the place-to-place surveys and informed the GA that: (a) place-to-place surveys had been finalized at the 7 HQ duty stations and Washington, D.C; (b) surveys of 6 of the other duty stations with more than 150 staff members would be completed by the end of 1990 and the 5 other large duty stations would be completed by early 1991. Staff at those duty stations constituted about 70 per cent of all international staff in the common system; (c) by the end of 1991, the surveys completed would cover about 90 per cent of the staff, leaving only 10 per cent to be covered in 1992. Every effort would be made to finalize the current round of place-to-place surveys before the end of 1992. ICSC decided to draw the attention of the GA to the difficulty inherent in conducting a full round of surveys at HQ duty stations within a 12month period while maintaining technical standards and an appropriate level of participation by administrations and staff *[A/45/30, Addendum, paras. 21 and 22]*.

By **resolution 46/191**, the GA noted the revisions which it had been necessary for ICSC to make to its work programme, thereby delaying the report requested by the GA in respect of a revised rental subsidy scheme, the measurement of the housing element in the remuneration package and the establishment of a pilot project to simulate the operation of ICSC proposals in a limited number of field duty stations where valid housing comparisons were difficult or impossible. It requested these reports at the earliest opportunity.

1991 **34th session (August):** ICSC considered the report of ACPAQ on its 16th session. ICSC took note of the programme of place-to-place surveys for 1991, developed in response to GA resolution 45/241, that would include at least 25 duty stations with characteristics defined by ICSC for simulating the separation of housing from post adjustment. It approved ACPAQ's recommendations relating to the cost-of-living survey methodology that would be applied in the round of place-to-place surveys requested by the GA *[A/46/30, vol. I, paras. 133 and 135]*.

It was recalled that in 1988, ACPAQ had considered the issue of calculating the **cost-of-living differential** for margin calculations when analysing survey results for HQ duty stations and Washington, D.C. ACPAQ had noted at the time that the housing index for Washington was based on very limited rent information, owing to the small number of renters among the international staff in that city. It had therefore recommended that special surveys of market rents in New York and Washington should be conducted, if similar data were not available from the US/BLS. ICSC noted that

in its latest review of the matter, ACPAQ had identified a number of other technical problems connected with the measurement of the cost-of-living differential between the two cities. These were directly related to the introduction of certain changes in the cost-of-living survey methodology as part of the comprehensive review, namely the use of common expenditure weights and a new index calculation formula (modified Walsh). ICSC noted ACPAQ's conclusions that while the methodology for PAI calculations approved in 1989 was technically sound and sufficient for its specific purpose, it was not appropriate for calculating a New York/Washington, cost-of-living differential for use in margin calculations that involved the populations of UN international staff, on the one hand, and that of the US federal civil service, on the other. ACPAQ had therefore recommended a different formula that would substantially eliminate these difficulties. While reiterating the need for greater transparency and simplicity in the concepts and administration of the remuneration system, ICSC decided to request its secretariat to study the issue further with a view to clarifying outstanding technical issues, including the measurement of the housing component *[A/46/30, vol. I, paras. 134-136]*.

With regard to other aspects raised in the ACPAQ report, ICSC decided as follows: (a) technical issues relating to field duty stations: (i) the secretariat should continue to apply the out-of-area procedures and modified formula for field duty stations as outlined by ACPAQ in its report; (ii) the application of the out-of-area bands system to field duty stations should be governed by a 2 percentage point stability rule; (iii) the breakdown of expenditure weights for the in- and out-of-area components should be calculated on the basis of data collected using a simplified questionnaire; (iv) ICSC noted that the programme of place-to-place surveys should include at least 25 duty stations with the characteristics defined by ICSC for testing the separation of housing from post adjustment *[ICSC/34/R.17, para. 25]*; (b) ICSC took decisions regarding the instruments to be used for updating PAIs following the results of a place-to-place survey *[ICSC/34/R.17, para. 26];* (c) ICSC took decisions regarding a number of studies required for the next round of surveys, in the areas of item specification, car purchase and other durable goods, treatment of education costs, treatment of car insurance, selection of outlets and seasonal adjustments for fruits and vegetables *[ICSC/34/R.17, paras. 27-32]*.

ICSC approved ACPAQ's recommendations that with a view to improving survey response rates, enumerators should be used in surveys carried out at HQ duty stations and Washington, D.C. at the time of revision of common weights. For field duty stations, well-designed questionnaires, detailed explanations and instructions should be provided *[ICSC/34/R.17, para. 33]*.

ICSC noted ACPAQ's recommendation that the secretariat should be requested to undertake an out-of-area survey within 6 months of the completion of the current round of place-to-place surveys. The preparation should be undertaken in full consultation with organizations and staff, and arrangements, once agreed should be reported to ACPAQ for appropriate review *[ICSC/34/R.17, para. 34]*.

ICSC took note of ACPAQ's request to the secretariat that ACPAQ and all other parties involved should be kept informed about developments in the utilization of external sources of data for the PA system *[ICSC/34/R.17, para. 35]*.

1992 **35th session (March)**: On the basis of a document by its secretariat *(ICSC/35/R.6)*, ICSC reviewed the operation of four elements of the PA system and took the following decisions as part of an ongoing streamlining process: (a) **the four month rule:** to continue to use, for Group I duty stations, the CPI of four months earlier for updating PAI applicable for the review month; (b) **application of the out-of-area index at Group I duty stations**: (i) to eliminate the out-of-area component for monthly reviews between the application of cost-of-living adjustments under the 5 per cent/12-month rule; (ii) to maintain the out-of-area component for the purpose of establishing relativities at the time of implementing cost-of-living adjustments under the 5 per cent/12-month rule and when implementing the results of place-to-place surveys; (iii) to apply the decisions in sub-paragraphs (i) and (ii) above

with effect from 1 May 1992; (c) **waiting period for adjustment of PACs following an abrupt and substantial devaluation of local currency**: (i) in cases of abrupt local currency devaluations, a cost-of-living survey should be conducted within 4 months and the results of the survey implemented as soon as they became available. The 10-point reduction procedure currently in effect would apply only after four months had elapsed; (ii) the above decision would apply with effect from 1 April 1992; (d) **implementation of place-to-place survey results indicating gaps between the pay index and PAI**: (i) if the PAI resulting from the survey were lower than the existing pay index by one PA class or less, the existing PAC would be maintained and the PAI would be allowed to catch up with the multiplier; (ii) if the difference between the existing pay index and PAI resulting from the place-to-place survey was more than one PA class, a revised PAC corresponding to the survey PAI plus 5 per cent would be promulgated by the ICSC Chairman; (iii) the PA of all staff members should be determined on the basis of that PAC, but for those already at the duty station on the effective date of the implementation of the survey results, a personal transitional allowance representing the difference between the pre-survey PAC and the revised PAC should be calculated. This personal transitional allowance should be reduced at the rate of one PA class every three months until it was phased out; (iv) the decisions in (i) to (iii) above should apply for place-to-place surveys carried out on or after 1 April 1992; (v) staff should receive at least two months' notification of the above measures *[ICSC/35/R.17, paras. 48 and 61]*.

ICSC was informed *(ICSC/37/R.7)* that a consultant had been retained to conduct an in-depth study of the **cost-of-living differential** methodology. In collaboration with the ICSC secretariat, the consultant had completed the first phase of the study; the final phase was expected to be completed before the 36th session. ICSC took note of the progress made and agreed to revert to the issue at its 36th session *[ICSC/35/R.17, paras. 63 and 68]*.

36th session (August): ICSC reviewed the proposed cost-of-living differential methodology, which had the following characteristics: (a) it related to domestic (not expatriate) expenditure patterns reflective of US federal civil service staff, whose salaries in Washington were being adjusted for the cost-of-living difference between Washington and New York in the context of net remuneration margin calculations; (b) it provided a measurement of housing related to nearly 1,000 observations in Washington and over 1,300 observations in New York; (c) it reflected external data independent of any common system bias; (d) it represented a recognition of recruitment and retention issues under the Noblemaire principle *[A/47/30, para. 132]*.

ICSC considered whether it was necessary to address the issue of the cost-of-living differential measurement in view of the impending application of the comparator's locality pay system, which was scheduled for initial implementation on a phased basis beginning in 1994. It was noted that, in 1986/1987, ICSC had conducted an extensive review of margin methodology, a key element of which was the New York/Washington, D.C. cost-of-living differential. This had included a consideration of the following: (a) UN/US net remuneration comparison in New York which would obviate the need for such a differential; and (b) the cost-of-living measure to determine the New York/Washington, D.C. differential. The outcome of that review had been settled by the GA in resolutions 41/207 and 42/221. The rationale and argumentation on this decision advanced by ICSC was extensive and was well documented. The approach of using US expenditure patterns/characteristics was recognized as the most notable departure from the current methodology, which used common system patterns/demographics. ICSC recalled that the current methodology based on PA calculations relied on very limited data on common system staff in Washington, D.C. The proposed approach would substantially increase the database and was conceptually more appropriate. The proposed methodology was based on a "spot" measure as opposed to a yearly average. ICSC noted that the "spot" measurements could be averaged over a 12-month period using the updating procedures currently applied in the PA without affecting the accuracy of the results. The larger database, which was a

feature of the proposed approach, would tend to mitigate year-to-year fluctuations *[A/47/30, paras. 136, 137 and 139]*.

ICSC decided to: (a) report to the GA that (i) it had reviewed the methodology for determining the cost-of-living differential between New York and Washington, D.C. in the context of net remuneration margin calculations and concluded that the current methodology was deficient; (ii) it had examined an alternate methodology developed by a reputable consulting firm and had concluded that the alternate methodology was sound and should be used in future for the determination of the cost-of-living differential between New York and Washington, D.C. following the completion of further refinements; (b) request its secretariat, in consultation with the consultant, to: (i) review the various parameters used in the construction of the New York/Washington, D.C. differential, particularly income levels/distributions and family sizes; and (ii) revise the parameters, as necessary, to ensure that they were closely correlated to the target population, i.e., US federal civil servants in Washington, D.C.; (iii) submit a report to ICSC at its next session on the updated model parameters and their impact on the results *[A/47/30, para. 143]*.

By **resolution 47/216**, the GA: (a) noted the study by ICSC of the methodology for determining the cost-of-living differential between New York and Washington, D.C., in the context of net remuneration margin calculations; and (b) requested ICSC to take into account the views expressed by Member States on the completion of the above-mentioned study and to submit a report on the application of the methodology to the GA.

1993 **37th session (March)**: ICSC considered a note by FAO *(ICSC/37/CRP.4)* and one by its secretariat *(ICSC/37/CRP.12)* dealing with the PA in Rome. FAO requested that special measures should be applied in the case of Rome in order to re-establish stability in the portion of take-home pay received in local currency as well as that received in US dollars or some other major convertible currency *[ICSC/37/R.18, paras. 219 and 223]*.

ICSC took note of the devaluation of the Italian lira not only against the US dollar but against other European currencies and its withdrawal from the European Exchange Rate Mechanism (ERM). In this connection it recalled that its decision to assign a 10 per cent out-of-area weight for all Group I duty stations had as its objective the stabilization of net take-home pay in local currency terms whilst at the same time giving due recognition to the expatriate character of the staff in the P and higher categories.

ICSC was of the view that there appeared to be no valid technical reason to suspend the normal operation of the PA system in the case of Rome. However, it was sympathetic to the unusual situation currently existing in Rome requiring some special remedy. Members were of the view that some relief in itself should not call into question the proper functioning of the existing post adjustment methodology. At the same time, ICSC was mindful of the staff/management issues that had arisen.

ICSC decided that the following measures should be applied, with effect from 1 April 1993, in calculating the losses in take-home pay due to devaluations of the local currency in Italy: (a) at the time of increases of net remuneration due to the 5 per cent/12-month rule, a PAI should be calculated using the month of the previous increase as base and with a 20 per cent weight for the out-of-area component, chain weights and a revised place-to-place index, to take into account changes in weights and relative prices; (b) in between two increases due to the 5 per cent/12-month rule, the following methodology would be applied: (i) for the indices starting in April 1993, the base would be the post adjustment in March 1993 with 20 per cent as out-of-area weight; (ii) as an exception to the normal operation of the post adjustment system for HQ duty stations, the out-of-area component would be considered as a fixed allotment, corresponding to 20 per cent of the net salary plus PA, at level P-4, step VI, in March 1992 ($1,200 per month in the case of Rome); (c) the proposed measures should be

considered as *ad hoc* and interim and should be applied for a limited period of time. They should not serve as a precedent; (d) upon implementation of the *ad hoc* measures, the movements of the exchange rate of the Italian lira relative to the US dollar and other major European currencies would be closely monitored. If over a 3-month period the fluctuation of the lira relative to these currencies was not significant (within plus or minus 5 per cent of the fluctuations of the other European currencies *vis-à-vis* the US dollar), recommendations would be submitted to the ICSC Chairman to discontinue these *ad hoc* measures. If the adjustment to the multiplier was negative at the time the above-mentioned condition was met, the *ad hoc* measures would be discontinued. If the adjustment was positive, the *ad hoc* measures would be retained until the next increase in pay or until the adjustment became zero or negative in order to avoid any loss in net take-home pay; (e) during application of the *ad hoc* measures described above, the plus or minus 0.5 per cent rule would not apply *[ICSC/37/R.18, paras. 230, 232 and 234]*.

38th session (July): ICSC considered the report of the 17th session of ACPAQ *(ICSC/37/R.15)*. ACPAQ had dealt with technical issues covering: (a) studies needed for the next round of place-to-place post adjustment surveys (1994-1997); (b) application of the revised cost-of-living methodology at field duty stations; (c) measurement of housing within the post adjustment system; (d) monthly updating of post adjustment indices; (e) the New York/Washington cost-of-living differential, and (f) the use of classes within the post adjustment system.

ICSC considered the 6 components of the ACPAQ report on a section-by-section basis:

(a) **Studies needed for the next round of place-to-place surveys (1994-1995).**

ICSC recalled that ACPAQ had previously identified for further study a number of issues relating to the next round of surveys. These had been examined in detail by ACPAQ using extensive documentation based on experience gained in the current round of surveys.

ICSC: (i) agreed to revisions to the specifications of items for pricing, provided that the number of items remained virtually the same; (ii) decided that car purchases should be included in price comparisons; (iii) decided that for durable goods, specifications should be revised after consultation with the representatives of organizations and staff; (iv) decided that car insurance should be included in place-to-place comparisons; (v) endorsed a number of ACPAQ recommendations relating to education costs; (vi) authorized the secretariat to make changes in the list of outlets during the pricing exercise, on the understanding that there would be consultation with the local coordinator in all cases; (vii) decided that wherever possible, prices collected during the survey month should be adjusted to reflect the yearly average for seasonal items in all duty stations; (viii) decided that, in order to improve response rates the following measures should be taken in household expenditure surveys: (a) survey enumerators should be used; (b) the expenditure survey should be based on a random sampling procedure designed by the secretariat; (c) the enumerators and the staff selected for the sample should be provided with adequate information and training before the survey; (d) the household expenditure survey scheduled to be conducted in the next round of place-to-place surveys in Rome should serve as a test for improving response rates; (e) the survey for Rome should be processed only if an overall response rate of 50 per cent and a minimum response rate of 40 per cent per grade level were achieved; (f) the results of the Rome survey should be made available to the staff, especially the participants, as soon as possible after data collection, together with a clear explanation of their impact on PAIs.

ICSC also decided that: (a) the secretariat should carry out a survey to determine, *inter alia*, the amount, nature and location of out-of-area expenditures as soon as possible; (b) comprehensive place-to-place surveys should continue to be carried out every eight years; (c) common weights should be calculated on the basis of data from the 1990 place-to-place surveys, except for Rome, where a new

comprehensive survey should be conducted in view of the fact that the most recent household expenditure survey was in 1987; (d) the common weights should be updated to take into account changes in relative prices of the components up to the date of the new round of surveys; (e) price collection arrangements at HQ duty stations should include the use of observers on the same basis as provided for in the 1990 cost-of-living surveys *[ICSC/38/R.19, para. 40]*.

(b) **Application of the revised cost-of-living survey methodology at field duty stations.**

ICSC endorsed the procedures adopted by the secretariat for adjusting and refining comparisons for field duty stations. It decided that: (i) the secretariat should review common weights with a view to developing two sets of weighting patterns, one for use at HQ and other Group I duty stations, and the other for field duty stations; (ii) any item of expenditure which required adjustment of the common weights should be identified *a priori*; (iii) the current weighting procedures applied by the secretariat should continue until the next round of place-to-place surveys; the methods used in calculating the out-of-area component for place-to-place surveys at field duty stations should be reviewed before the next round of place-to-place surveys. The secretariat should present a report to the next session of ACPAQ illustrating how the system had been functioning in the current round of surveys *[ICSC/38/R.13, para. 44]*.

(c) **Measurement of housing within the post adjustment system.**

ICSC considered the ACPAQ proposals and related documents dealing with: (i) the simulation test for excluding housing from PA calculations; and (ii) time-to-time updating of the housing component of the PAI and the use of external data.

The first of the above issues related to a request in GA resolution 45/241. Simulation tests had been undertaken by the secretariat to determine the impact on individual staff members' remuneration levels at selected duty stations of separating the housing element of remuneration from the PA system. The test results had been reported to ICSC at its 37th session. ACPAQ had reviewed the secretariat's approach and recommended additional tests, the results of which were before ICSC. These results showed that any separation of housing from post adjustment in field duty stations would be very sensitive to the quality and precision of the measurement of housing costs at the base of the system. ICSC decided to report to the GA that the necessary measurement of housing costs at the base would be undertaken in 1994, at which time ICSC would revert to a review of simulation tests for the separation of housing costs from post adjustment calculations *[ICSC/38/R.19, paras. 45 and 50]*.

The second issue concerned the operation of the PA system on a current basis and the related recommendations by ACPAQ at its 15th session that the housing component of local CPIs be used to update PAIs, as an interim measure pending the use of external data for the time-to-time adjustment of the PAI. ICSC was informed that this recommendation had not been applied as it had not yet been approved by ICSC. While continuing its efforts to obtain housing data from external sources, the secretariat had used projections of housing cost increases in the absence of housing surveys. The secretariat had not changed the procedures it had been using for several years to update the housing component of PAIs. Yearly housing surveys had continued to be carried out and interim adjustments between housing surveys were made by using projection factors. The secretariat had explored possible external sources of housing data and had invited proposals from private companies on two separate occasions. Companies had been requested, *inter alia*, to indicate whether they could provide housing and price data for the entire UN system within the broad guidelines developed by ACPAQ *[ICSC/38/R.19, para. 15]*.

ICSC decided that place-to-place housing cost comparisons at HQ duty stations should be based on data obtained from external sources starting with the next round of place-to-place surveys, which should begin only after all the arrangements for the application of external data had been finalized. The secretariat should develop the methodology following discussions with representatives of organizations and staff and subsequent consultations with the external source. The secretariat should obtain data from an external source on housing costs suitable for the calculation of an appropriate time-to-time price index. ICSC also decided that, pending the acquisition of external data covering two periods with an interval of one year, local CPIs, divested of any element of subsidized housing if possible, should be used for the time-to-time updating of the PAIs for HQ duty stations. Should arrangements for the use of external data not be completed by March 1994, the same approach should be applied to other HQ duty stations at the time of implementation of the new round of place-to-place surveys in order to ensure the full compatibility of the methodology used at the base of the system with that at the other duty stations. ICSC noted that only one of the external data source proposals (Company A) met all the ACPAQ guidelines as regards external data on housing costs. It therefore requested the secretariat to proceed with arrangements for securing services from that company *[ICSC/38/R.19, paras. 57-59]*.

ICSC further decided that housing surveys should be carried out in all HQ duty stations and Washington at the same time as the next round of place-to-place surveys (1994-1997) when external data would be used. The results of the housing surveys would be used to calculate housing weights, rental thresholds and, in the specific case of New York, for comparison with housing costs in field duty stations. If response rates for housing surveys were too low, the following procedures should be applied: (i) the 1994 weights for housing should be updated to take into account changes in housing costs and income up to the date of the new round of surveys; (ii) the rent-to-income ratio used for calculation of rental thresholds should be revised by the ratio between the increase of the rent component in the PAI over the increase of the PAI in the duty station; (iii) the rents of staff members who had been at the duty station for 7 years or less should be excluded from the calculation of rental subsidy thresholds at HQ locations and other duty stations in Europe and North America; (iv) average rents for New York, updated from March 1990 to the date of the next (1994) price collection at the base city, should be used for comparison with field duty stations *[ICSC/38/R.19, para. 60]*.

(d) **Monthly updating of post adjustment indices, including the treatment of the out-of-area component.**

ICSC recalled that ACPAQ had made several separate recommendations in respect of updating procedures. A proposal had been made to smooth fluctuations in the out-of-area index by use of a nine-month moving average. The current treatment of staff pension contributions raised questions as to whether there were shifts in the share of contributions between staff and organizations, and accordingly ACPAQ had considered possible revisions to the treatment of that element in the time-to-time updating of the PAI.

ICSC decided that: (i) the procedures for computing and applying the out-of-area index and integrating it into the PAI should be reviewed by ACPAQ at its next session on the basis of a report produced by the secretariat of WIPO; (ii) pending a long-term solution, the out-of-area index should be smoothed by the use of a nine-month moving average; (iii) the question of excluding Pension Fund contributions from PAIs should be further considered by ACPAQ at its next session. ICSC sought to ensure full implementation of GA resolution 44/198, in which the GA had stated that pension contributions should be treated as a separate item in the post adjustment index, to ensure that there would be no shift from the staff to organizations in the share of expenditures in relation to pension contributions. ACPAQ should provide clear examples of how its proposal would be implemented in both time-to-time

adjustments and place-to-place comparisons; (iv) the convention on rounding procedures applied by the UN Statistical Division should be applied in PAI calculations;

(v) the medical insurance component of the PAIs in HQ duty stations should be updated whenever new data on medical insurance premiums became available *[ICSC/38/R.19, para. 66]*.

(e) **Cost-of-living differential methodology.**

ICSC noted that on the basis of additional refinements with regard to family size and income groupings, the consultant had conducted a further analysis of the cost-of-living differential. Based on future applications of the revised New York/Washington cost-of-living differential, biannual updates of the analysis were proposed to ICSC *[A/48/30, paras. 101 and 102]*.

ICSC further noted that ACPAQ had reviewed, at its request, the technical aspects of the consultant's methodology for determining the New York/Washington cost-of-living differential. ACPAQ had found that: (i) the methodology proposed and the measurement provided by the consultant were technically sound; (ii) the new methodology contained measurements and comparisons consistent with those previously recommended by ACPAQ; (iii) differences between the new methodology and that employed by the Office of Personnel Management were justified on the basis of the different populations; (iv) annual updates of the differential would be sufficient *[A/48/30, para. 131]*.

ICSC decided to reaffirm the decision reported to the GA in 1992, as follows: (i) the current methodology for determining the cost-of-living differential between New York and Washington in the context of net remuneration margin calculation was deficient; (ii) the new methodology as described in its 1992 annual report was sound and should be used for the determination of the cost-of-living differential between New York and Washington. ICSC decided that the new methodology should be taken into account in reporting to the GA on the net remuneration margin for 1993 *[A/48/30, paras. 106 and 107]*.

ICSC reported to the GA that in response to the request in resolution 45/241, it had conducted simulation tests for the separation of housing from PA calculations. The methodology used in the test calculation was technically sound but the results of the exercise were somewhat inconclusive as they were sensitive to the measurement of housing costs at the base of the system. The necessary measurement of housing cost at the base would be undertaken in 1994, at which time ICSC would revert to a review of simulation tests for the separation of housing costs from PA calculations *[A/48/30, paras. 121 and 127]*.

(f) **The use of classes within the post adjustment system**.

ICSC considered an ACPAQ recommendation that a CCAQ proposal for the elimination of the use of post adjustment classes in the system should be adopted. It was noted that, since the 1989 comprehensive review, multipliers had a direct relationship to pay. Classes were difficult to understand and no longer appeared to serve a useful purpose; their elimination would simplify the post adjustment system *[ICSC/38/R.19, para. 72]*.

As regards the dynamic function of PA classes, ACPAQ had analysed the situation in terms of the two distinct sets of rules that existed for Group I and Group II duty stations. For Group I duty stations, the concept of specific classes of post adjustment had lost all operational significance in recent years. For Group II duty stations, it would appear appropriate, if PA classes were eliminated, to follow similar adjustment procedures to those applied for Group I duty stations, while maintaining a 4-month review

system. That would produce a slightly more accurate rendering of purchasing power parities in PACs for Group II duty stations.

ICSC decided that it had no technical problem with the proposal that the use of PA classes should be eliminated as of 1 January 1994 *[A/48/30, paras. 133 and 137]*.

1994 **39th session (February/March)**: The Chairman informed ICSC that the *ad hoc* measures for the Rome post adjustment approved by ICSC at its 37th session had been discontinued as of 1 February 1994 in accordance with the conditions stipulated by ICSC *[ICSC/35/R.10, para. 28]*.

40th session (June/July): ICSC considered recommendations by ACPAQ at its 18th session in the following areas: (a) external data and consequent postponement of the round of surveys; (b) approval of standardized housing weights for field duty stations; (c) Geneva post adjustment; (d) treatment of pension contributions in post adjustment.

ICSC noted the recommendations of ACPAQ that, in view of the need for substantial additional work on the methodology for data collection and for its application as a component of post adjustment indices (PAIs): (a) the new round of place-to-place surveys should be temporarily postponed pending finalization of the methodology for housing data collection and for its application as a component of PAIs. Rome, however, appeared to require a survey which could be accommodated in the existing round of surveys; (b) the secretariat, in collaboration with Organization Resources Counsellors (ORC), should over the next few months urgently develop and test the methodology referred to above while the data retained validity and relevance. This development and testing should be in full consultation with representatives of administration and staff.

ICSC decided to postpone to its 41st session substantive consideration of all other issues addressed in the ACPAQ report *[ICSC/40/R.15, paras. 64-68]*.

ICSC was informed that the FAO administration considered that the conditions for the discontinuation of the *ad hoc* measures for the Rome post adjustment had not been met. FAO staff had been informed that the FAO/DG, pending satisfactorily documented justification, had decided that *ad hoc* measures should continue to apply. As the FAO decision had been taken without any previous consultation with the ICSC Chairman or its secretariat, an exchange of correspondence had ensued. The consultations had not led to a satisfactory solution of the problem *[A/49/30, paras. 370-372]*.

ICSC noted that under article 11 (c) of its statute, the authority for the classification of duty stations for the purpose of applying post adjustment was vested in ICSC. Under article 18 of the statute ICSC had delegated, *inter alia*, that responsibility to its Chairman.

ICSC was satisfied that, in discontinuing the *ad hoc* measures, its Chairman had acted within the framework of the ICSC statute and in accordance with the powers delegated to him. On the basis of a consideration of the issues involved, ICSC concluded that its declared intentions as regards the discontinuation of the special measures had been fully satisfied when the Chairman had decided to discontinue these measures. It therefore agreed that the decision by the Chairman had been taken under the authority delegated to him. ICSC decided: (a) to reiterate that, under article 11 (c) of the ICSC statute, the authority for the classification of duty stations for the purpose of applying PA was vested in ICSC. Consequently, the authority for the establishment of *ad hoc* special measures and their discontinuation rested solely with ICSC and, by delegated authority, with its Chairman; (b) to discontinue forthwith the *ad hoc* measures for the Rome PAC approved by ICSC in March 1993; (c) that *ad hoc* measures similar to those implemented in the case of Rome should not be applied at any duty station to deal with problems those measures were intended to address. A consistent methodology

should be developed to deal with such situations in a systematic manner. In that connection a working group composed of the ICSC secretariat and the representatives of the organizations and staff should be convened to address specific issues pertaining to urgent situations such as substantial and abrupt devaluations of the local currency; (d) that a place-to-place PA survey should be carried out in Rome in the second half of September 1994 on the basis of the current methodology, including for the comparison of housing costs *[A/49/30, paras. 381-390]*.

The GA by **resolution 49/223**, recalling resolutions 46/191A (1991) and 47/216 (1992) (in which it had urged the governing bodies and executive heads of all organizations to ensure that ICSC was invited in its own right to be represented at meetings where proposals pertaining to salaries, allowances, benefits and other conditions of employment were to be discussed) inter alia regretted the recent decision of FAO which was not in line with the ICSC decision and called upon all the concerned governing bodies to adhere to the obligations of their organizations towards the common system. It reiterated its request to the executive heads of the organizations to consult with ICSC and UNJSPB prior to putting forward the proposals of their respective governing bodies relating to conditions of service, in order to avoid action inconsistent with the common system and to make every effort to enable ICSC representatives to present the ICSC view to any relevant intergovernmental bodies.

41st session (May): ICSC considered concurrently the reports of the 18th and 19th sessions of ACPAQ *(ICSC/40/R.6 and ICSC/41/R.7)*, as well as that of the Working Group on the operation of the post adjustment system *(ICSC/41/R..8)*, because those reports dealt with a number of common issues. The areas in the 3 reports requiring specific action by ICSC were: (a) treatment of pension contribution in place-to-place comparisons and time-to-time adjustments; (b) treatment of group I duty stations in case of abrupt local currency devaluation (including documentation submitted by ICAO, ICSC/41/R.17 and FAO, ICSC/41/R.18, which dealt with the overall responsiveness of the post adjustment); (c) methodology to implement section II.G. of GA resolution 48/224; and (d) operation of the post adjustment system *[ICSC/41/R.19, paras. 185-186]*.

Treatment of pension contribution in place-to-place and time-to-time adjustments. It was recalled that when the elimination of regressivity from PA had been proposed at the time of the 1989 comprehensive review, it had been generally accepted that regressivity owing to taxation should be removed, since it had been eliminated by the comparator. Nevertheless, some concern regarding the elimination of regressivity in respect of pension contribution had been expressed. Accordingly, in its 1989 annual report to the GA *(A/44/30, vol. II)*, ICSC had recommended that pension contributions should be treated as a separate item in the PAI so as to ensure that there would be no shift from staff to organizations in the share of expenditures relating to pension contributions. The GA had approved the ICSC recommendation in resolution 44/198 (1989). The ICSC secretariat, in consultation with the UNJSPF secretariat, had interpreted the ICSC recommendation and the GA decision to mean that one third of any increase in pension contribution (the staff share) should be borne by staff and not transferred to Member States. That had been done by artificially freezing the index for pension contribution at a constant value of 100 for the time-to-time updating of the post adjustment index, despite periodic increases in the level of mandatory staff contributions to the Fund. Hence, although the cost of contributions had increased, the pension contribution index had failed to reflect those increases. Later, however, it had become apparent that the revised procedure for time-to-time adjustments of the PAI had reintroduced part of the regressivity due to pension contribution through the index itself, thereby adversely affecting real income of staff. At its 38th session, ICSC had requested ACPAQ to give further consideration to the question *[ICSC/41/R.19, paras. 189190]*.

On the basis of its review, ACPAQ had recommended to ICSC that, with effect from the next round of place-to-place surveys, actual pension contributions should be used in time-to-time adjustments of the

PAI. ACPAQ also informed ICSC that it had carefully examined the requirements of GA resolution 44/198 and had determined that, in the light of the arrangements embodied in the Pension Fund regulations, there would be no resultant shift in the burden of Pension Fund contributions from staff to Member States *[ICSC/41/R.19, para. 193]*.

ICSC noted that efforts to avoid shifting a financial burden from staff to Member States had inadvertently resulted in a systematic understatement of the PAIs for all duty stations and adversely affected the real income of staff. ICSC noted that the adverse impact on the real income of staff, although minimal, was not equable. ICSC noted that the effect of endorsing ACPAQ's recommendation would be to increase PA very slightly at all duty stations, the increase being proportionately higher at locations with low PAIs and conversely less at high cost-of-living duty stations. ICSC sought, and received, confirmation from its secretariat that the inclusion of actual pension contributions in time-to-time adjustments would not have any impact other than that indicated by ACPAQ. In particular, there would be no shift from staff to Member States in the share of expenditure relating to pension contributions. On that assumption, ICSC had no difficulty approving the ACPAQ recommendation.

ICSC concluded that it would be more equitable, and administratively more efficient, to effect the change at the time of the next adjustment of the New York PAI, which was expected to take effect on 1 November 1995 *[ICSC/41/R.19, paras. 196-197]*.

ICSC noted that as a result of a slight underestimation of the PAIs, some savings had accrued to the Member States since 1990. It was estimated that the underexpenditure on PA on the part of the Member States was approximately US$ 4 million for each year that the shortfall had been in place. As a result of the ICSC decision, the underexpenditure would cease as of 1 November 1995. The corrective action was estimated at some US$ 17 million for the year 1995/96. Thereafter, the related annual amount would be US$ 3.6 million *[ICSC/41/R.19, para. 198]*.

1995 ICSC: (a) decided that with effect from the next adjustment of the global scale of PR for staff in the P and higher categories, actual pension contributions in time-to-time adjustments of the PAI should be used; (b) noted that that approach would be technically consistent with the arrangement for place-to-place comparisons which included pension contributions as part of the mechanism for establishing purchasing power parities; and (c) decided to inform the GA that it had carefully examined the requirements of GA resolution 44/198 and had determined that in the light of the arrangements embodied in the Pension Fund regulations, there would be no shift in the burden of Pension Fund contributions from staff to Member States as a result of implementing the decision in (a) above *[ICSC/41/R.19, para. 199] (See also A/45/30, paras. 271-280)*

Treatment of group I duty stations in case of abrupt local currency devaluation. ICSC recalled that at the time of the 1989 comprehensive review, it had been assumed that group I duty stations would not be subject to significant devaluations in view of the then existing European monetary system. In addition to the removal of regressivity from PA and the introduction of a procedure limiting variations to plus or minus 0.5 per cent of local currency take-home pay, a 10 per cent out-of-area band had been established for those duty stations. It was envisaged that, together, those measures would provide stability in take-home pay in local currency at group I duty stations. Subsequently, two additional stabilization measures had been introduced: the nine-month averaging of the out-of-area index and the exclusion of the index from monthly updating of group I post adjustment index calculations (other than for the annual or 5 per cent cost-of-living adjustments). The establishment of a 10 per cent band for out-of-area expenditures for group I duty stations had resulted in a situation where, at some duty stations, e.g., Montreal and Rome, full recognition of out-of-area expenditures was not reflected in the PAI, and those duty stations were thus not fully protected against currency

fluctuations. Later studies had indicated that because of the other stabilization measures referred to above, the elimination of the local 10 per cent band would make no discernible difference to the stability of local currency take-home pay. ACPAQ had considered two options: (a) use of actual duty-station-specific out-of-area weights in the PAIs for all group I duty stations rather than the current 10 per cent band system; (b) use of the duty-station-specific out-of-area weights in the post adjustment indices for group I duty stations only in the event of an abrupt and substantial devaluation at the duty station concerned, i.e., whenever exchange rate changes would result in a reduction of 10 or more multiplier points. ACPAQ had noted that the difference between the two options was more of a policy than a technical matter. However, it had indicated a slight technical preference for full removal of the 10 per cent band, because removal of the band only at the time of devaluation would be akin to special measures and would raise the question of what conditions would have to be satisfied for its restoration. It would also still constrain purchasing power parity in duty stations where the 10 per cent bands were retained *[ICSC/41/R.19, paras. 200-201]*.

ICSC noted that the issues raised under the item had several dimensions: (a) the specific options proposed by ACPAQ for the treatment of out-of-area expenditures in group I duty stations; (b) broader, and increasing, problems of the functioning of the PA system; (c) issues concerning structural problems of the world economic situation. While noting that there were common threads linking the 3 levels, ICSC considered that they needed to be dealt with in a phased manner.

ICSC was open to the suggestion (by CCAQ) that matters relating to currency instability, out-of-area expenditure and other problems of the PA system should be referred to a working group. It was not, however, optimistic that a working group could come up in the short term with a solution that would meet all needs *[A/45/30, paras. 289-291]*.

During the discussion, the Commission took note of what appeared to be a broad spectrum of organizations' views. It weighed the various points raised by the organizations. ICSC did not wish to penalize any duty station. It seemed quite clear, however, from the detailed work done by ACPAQ, that the 10 per cent out-of-area band was no longer required for maintaining stability in take-home pay in local currency terms, as other methods already achieved that objective. Removal of the bands would also improve the equalization of purchasing power. There were, therefore, strong technical grounds for the removal of the 10 per cent band.

ICSC noted that as a result of the use of actual out-of-area weights for group I duty stations, PACs would be increased for duty stations that had recently experienced devaluations of local currency. For duty stations with significant revaluations of local currencies, the obverse would occur. All other things being equal, the impact on the PA levels for the latter group of duty stations would not be felt before July 1996. As a result of those adjustments savings amounting to approximately $10 million per year would subsequently accrue to Member States *[ICSC/41/R.19, paras. 210-212]*.

ICSC: (a) decided that actual out-of-area weights rather than the existing 10 per cent band system should be used in post adjustment index calculations for all group I duty stations. That procedure should be introduced with effect from 1 November 1995. In the case of duty stations that had experienced significant devaluations of local currency in recent years (e.g., Montreal and Rome) the actual out-of-area percentages should be applied with effect from June 1995; (b) noting the increased level of dissatisfaction regarding the operation of the post adjustment system and that no lasting solution had yet been found to problems of currency fluctuations, decided to establish a working group to review the situation and to report, initially, to the Commission at its forty-second session *[ICSC/41/R.19, para. 213 and annex VII] (see also A/50/30, paras. 281-294).*

Methodology to implement section II.G of General Assembly resolution 48/224. At its 18th session, ACPAQ had considered, at the request of ICSC, the means by which it could ensure that place-to-place surveys conducted for all HQ duty stations were fully representative of the cost of living of all staff working in the duty station, as provided in the above-mentioned resolution. (That request had stemmed from the GA's review in 1993 of the issue of expatriate entitlements of staff living in the home country and stationed elsewhere, in which context it had been noted that the Geneva PAI was based on the collection of data for Geneva only, i.e., did not take into account the cost of living in contiguous areas of France, where many staff lived.) ACPAQ had advised that the current PA question had both policy and technical aspects and hence fell in part beyond the scope of ACPAQ. At a conceptual level it had pointed out, however, that equal purchasing power could be ensured either by establishing two multipliers of PAIs -- one for each side of the French/Swiss border -- or one by continuing with a single multiplier but based on a survey of staff wherever they lived. Both solutions entailed some difficulties. ACPAQ had, nevertheless, provided technical guidelines as to how PA surveys could proceed if a decision were to be made to use a single PA multiplier. The starting point for such surveys was indicated to be a common definition of the statistical area of the duty station. While the UN used a definition in its staff rules which included adjacent areas of France in its treatment of the Geneva duty station, the specialized agencies' definition restricted the duty station just to Switzerland. The problem appeared to have legal roots and would therefore require a solution at a legal level to provide a sound basis for statistical definitions if PA surveys were to be conducted on the basis of GA resolution 48/224 *[ICSC/41/R.19, paras. 214 - 215]*.

On the basis of its consideration of the matter, ICSC arrived at a number of tentative conclusions. It decided to request its secretariat to obtain legal advice on the various issues raised. On the basis of such legal advice and its tentative conclusions, it would finalize its report to the GA on the issue at its 42nd session *[ICSC/41/R.19, paras. 224 - 225]*.

Operation of the post adjustment system. ICSC considered the recommendations of ACPAQ and the Working Group on the Operation of the Post Adjustment System relating to methodological issues, arrangements for the new round of place-to-place surveys and other operational aspects of the post adjustment system *(see section 2.1.71)*.

ICSC was informed that the Working Group had, at its October 1994 meeting, identified 3 main areas of concern: (a) the extent to which the PA system was achieving its objective of equalizing purchasing power between duty stations; (b) the extent to which confidence in the system could be rebuilt by revising day-to-day operations to provide a participatory and transparent post adjustment process; and (c) the need to take specific concrete steps to reduce complexities by simplifying processes and eliminating redundancies.

The Working Group had met again in February 1995. It had examined a series of specific proposals to improve the operation of the post adjustment system and had made several recommendations. ACPAQ had been invited to study the report of the Working Group and to offer technical advice to ICSC. Most of the proposals of the Working Group had been endorsed by ACPAQ in its report on its 19th session *[ICSC/41/R.19, paras. 226 and 22930]*.

42nd session (July/August) In reverting to the issue of the **post adjustment index in Geneva** (methodology to implement GA resolution 48/224), ICSC had before it the report of the legal consultant and comments made by ILO on that report [reproduced in A/50/30, annexes XIV and XV, respectively].

ICSC considered the reports of two working groups, one on post adjustment and the other on the issue of duty stations with extreme post adjustments. The working groups had the same make-up, consisting

of members of the ICSC secretariat and representatives of the organizations and staff *[ICSC/42/R.19, para. 34]*.

(a) **Report of the Working Group on the operation of the post adjustment system** *(ICSC/42/R.13).* The Working Group, established by ICSC at its 41st session, met on 18 and 19 July and on 8 August 1995. Two main areas, place-to-place and time-to-time aspects of the post adjustment system, were identified for detailed consideration, including exploring other employers' solutions and developing options or alternative systems with the objective of improving the current system. Subjects requiring consideration included the following: (1) Place-to-place comparison: (a) choice of location for the base of the system;
(b) formulae for use in calculating the PAI; (c) data sources (internal/external) and their relevance; (d) out-of-area component; (e) percentage of income to be applied to relativities;
(f) housing; (2) Time-to-time updating: (a) the effects of exchange rate fluctuations and options to ensure stabilization; (b) consideration of whether a changing unit of account (currency) used for the post adjustment system would improve its operation *[ICSC/42/R.19, para. 35]*.
(b) **Duty stations with extreme post adjustments.** A joint UN/ICAO document *(ICSC/42/R.13/Add.1)* drew ICSC's attention to the decision, taken at the 24th (July 1986) session, to add to the out-of-area component an amount corresponding to 5 per cent of net base salary to account for out-of-area non-consumption commitments, in order in order to enhance equity between duty stations. That decision was noted to be relevant to the recent decision by ICSC (at its 41st session) to discontinue the use of 10 per cent bands in determining out-of-area weights for Group I duty stations. The ICSC secretariat was asked to provide calculations showing the impact on PAIs at Group I duty stations by adding a 5 per cent non-consumption element to actual out-of-area expenditures *[ICSC/42/R.19, para. 36]*. ICSC members noted that the Group's terms of reference were particularly broad and that, in the time available, it had been able only to identify major problem areas only within the existing system. The secretariat would be expected to prepare supplementary documentation, using outside consultants if necessary, to explore alternative systems and develop options for dealing with those problems. Studies should not be restricted to proposals for adjustments to the existing system; they should also treat possible development of workable alternatives. Changes recommended by the Group should serve to render the system more understandable to all parties. External data might be used to determine cost-of-living indices where those data would improve the measurement of cost-of-living relativities and possibly reduce the spread of PAIs that existed in the present system *[ICSC/42/R.19, paras. 36 and 40-43]*.

ICSC recalled its 1986 decision whereby an amount corresponding to 5 per cent of net base salary was added to the out-of-area portion of the PAI to account for non-consumption expenditures, i.e. out-of-area commitments. It noted that a subsequent decision to use a fixed 10 per cent band for out-of-area weight at Group I duty stations had superseded that decision. In view, however, of the decision taken at the 41st session to discontinue the use of a 10 per cent band system at Group I duty stations, ICSC agreed that the matter should be reassessed. After reviewing the results of the calculations made by the secretariat, ICSC felt that it would be appropriate to reinstate the use of the non-consumption element into PAI calculations, as that would lead to greater equity among duty stations. The calculations showed that the procedure would marginally decrease the PAIs at high-cost duty stations such as Geneva and Vienna, while marginally increasing them at lower-cost locations, such as Montreal and Rome. The procedure would be applied to PA multipliers as of 1 January 1996 *[ICSC/42/R.19, para. 45]*.

ICSC decided that: (a) the Working Group should reconvene by the last week of October or the first week of November 1995 in order to be briefed by outside experts on alternative systems and, in the light of information provided by the secretariat about similar systems, devise an action programme for improving or changing the existing system. The Group should submit its report to the 43rd session, and

that report should be made available to ACPAQ for comments; (b) with effect from 1 January 1996, an amount corresponding to 5 per cent of the net base salary to account for out-of-area non-consumption commitments should be added to actual out-of-area expenditures to determine the out-of-area weight. The out-of-area price index should be applied for updating the out-of-area consumption and non-consumption expenditures *[ICSC/42/R.19, para. 46]*.

GA, in **resolution 50/208**, noting the ICSC decisions in respect of the operation of the PA system: (a) welcomed the establishment by ICSC of a working group to examine the PA system; (b) requested ICSC to establish in 1996 a single PAI in respect of staff members whose duty station was Geneva, which was fully representative of the cost of living of all staff working in the duty station, and which ensured equality of treatment with staff in other HQ duty stations; (c) requested ICSC to address and refer to its working group on post adjustment, as appropriate, the concerns raised by Member States in the Fifth Committee regarding the operation of the PA system, (including, *inter alia*, the issue of the PA at the base of the common system; management of the differential in net remuneration between the common system and its comparator; developments in the comparator civil service; and the possible partial phasing out of the expatriate elements of the margin for staff with long service at one duty station); (d) requested ICSC to review all the issues relating to the PA system based on the study by its Working Group and to report thereon to GA at its 51st (1996) session.

1996 **43rd session (April/May):** ICSC had before it the report of the Working Group on the operation of the post adjustment system *(ICSC/43/R.9)*, which contained the deliberations and recommendations of the Group's November 1995 and March 1996 sessions. At the November 1995 session, the Group had examined the underlying principles, structure and mechanisms of the adjustment systems used by similarly situated employers in both the public and the private sectors. It was assisted in this by outside experts from other employers who made presentations explaining their respective cost-of-living adjustment systems. At the March 1996 session, the Group had continued its work on the basis of various studies, including an analysis of organizations' needs, use of local currency-denominated scales for Group II duty stations and the concept of spendable income. In its consideration of the report of the Working Group, ICSC took into account ACPAQ's views thereon contained in the report on its 20th session (ICSC/43/R.10) *(see also section 2.1.71) [ICSC/43/R.16, para. 108]*.

ICSC noted that the use of **local currency-denominated scales** by interested agencies, on a pilot basis, would not compromise the principle of equalization of purchasing power. This offered a solution to the specific problem of one organization (IAEA). In this regard, ICSC recalled that GA had asked it to show flexibility when organizations faced special problems. The 0.5 per cent rule, which constrained fluctuations of salary in local currency, was achieving almost the same results as local-currency salary scales. Explanations were sought with respect to the large differences between the PA allowances paid at certain duty stations in comparison to others. In some cases PA allowances substantially exceeded base salary. The view was advanced that such extreme differences arose out of the inclusion of certain elements in PA which should not be subject to adjustment for local inflation. It was pointed out that some other international organizations such as IMF and the World Bank followed the spendable income approach whereby only a portion of base salary was adjusted for local cost-of-living increases. The civil services of countries such as the US, Germany and Canada were also mentioned in that context.

With respect to comparisons with IMF and the World Bank, there was another view that such international organizations had not been considered suitable as comparators for determining common system remuneration. Although it was noted that the European Union did not apply the concept of spendable income, it was nevertheless believed that comparisons of this particular aspect of

methodology should be avoided in the interest of a consistent approach. Each pay system had its own goals and consequently its own internal logic *[ICSC/43/R.16, paras. 115-117]*.

Members noted that the Working Group had been unable to develop recommendations on the percentage of salary that should be subject to cost-of-living relativities.

It was suggested that, to assist the Working Group, those elements of pay which were not spendable should be catalogued and defined. A contrary view was however expressed that the application of the concept of spendable income should not be further pursued, as total salary was in principle spendable. The Working Group should rather orient its future work towards identifying those elements of pay or expenditures which should not be indexed and adjusted for local price changes. The percentage of pay which those elements constituted was an open question and would require careful consideration. Noting that PA was at the core of the salary system, members agreed that the Working Group should reconvene to deal specifically with the issue of the percentage of salary to which relativities should be applied, in order to fulfil without delay the mandate of the Working Group of ensuring purchasing power parity between the base of the system and other duty stations. In view of the importance of the matter in terms of ensuring purchasing power parity, the Working Group should submit its findings to ICSC at its 44th session *[ICSC/43/R.16, paras. 118120]*.

ICSC decided: (a) to take note of the recommendations of the Working Group relating to:

(i) the possible use of external data on prices; (ii) the treatment of housing in PA; (iii) currency fluctuations, the classification of duty stations and out-of-area expenditures; (iv) an expatriation allowance; (b) to approve the use of local currency-denominated scales, on a pilot basis, by IAEA and any other interested agency; (c) that the Working Group should reconvene before ICSC's 44th session to enable it to report to ICSC at that session. The Working Group should: (a) identify those elements of pay (expenditures) which should not be indexed for local price changes;(b) evaluate their relative importance as a percentage of pay; (c) study the appropriateness of applying the out-of-area index to some of these elements (expenditures) *[ICSC/43/R.16, para. 121]*.

ICSC considered the **report of the 20th session of ACPAQ** on the results of the cost-of-living surveys which had been conducted in the fall of 1995 at the 7 HQ duty stations and Washington, D.C. It decided: (a) to approve the results of the 1995 place-to-place surveys for Geneva, London, Montreal, Paris, Rome, Vienna and Washington, D.C.; (b) that the 1995 survey results for London, Montreal, Paris, Rome, Vienna and Washington, D.C. should be taken into account for determining their respective PACs as from 1 May 1996;

(c) that the 1995 survey result for Geneva should be taken into account for determining that duty station's PAC as from 1 June 1996; (d) that the existing gap between the PAI resulting from the survey plus 5 per cent and the pay index for Geneva should be adjusted at the time of the next review of the PAC for cost-of-living increase *[ICSC/43/R.16, para.171]*.

Method for the construction of the PAI based on prices in Geneva and France. ICSC decided to inform GA that it had carefully considered the Assembly's request in resolution 50/208 to establish a single PAI in 1996 for Geneva that would be fully representative of all staff working at the duty station. In that regard it had sought the advice of its subsidiary body, ACPAQ, on the approach that should be followed to give effect to the Assembly's request. ACPAQ had pointed out several technical difficulties with respect to data collection and analysis. There were, moreover, policy, administrative and legal ramifications to the matter. The combination of these factors mitigated against the establishment in 1996 of a single post adjustment index for Geneva reflecting the cost of living of all staff working at the duty station. ICSC would pursue consideration of the matter and report to GA at

the earliest opportunity on its progress in resolving the various issues *[A/51/30, para. 194] [see also section 2.1.71.]*.

44th session (July/August): ICSC had before it the report of the Working Group on the operation of the PA system which had met just prior to the 44th session *(ICSC/44/R.16)*. The Group had pursued the mandate set by ICSC at its 43rd session, viz.: to identify the elements of pay (expenditures) which should not be indexed for local price changes; to evaluate their relative importance as percentage of pay; to study the appropriateness of applying the out-of-area index to some of those elements. There was a strong division within the Working Group as to the approach to be taken to fulfil its mandate. The Group had therefore decided to bring to ICSC's attention the two positions that had emerged during its discussions, without any recommendation *[A/51/30, para. 156]*.

ICSC also received a presentation of two proposals by the ICSC-designated members of the Working Group. The first proposal, by one member, was that 10 per cent of net salary should be considered as savings of which 5 per cent should be included in the in-area component of PAI and 5 per cent as home country savings, but treated as out-of-area. The proposal assumed that savings was an item of deferred expenditure and should therefore be adjusted. In the presentation of the second proposal, it was stated that the application of

PA to the entire base salary accelerated and exacerbated the imbalances in the system. In contrast the USA, Germany, the World Bank and the IMF considered as spendable income percentages of salary varying from 30 to 50 per cent and applied the PA to those percentages. Under the common system weighting structure, except for the recently added 5 per cent of base salary for non-consumption expenditures, the entire salary was assumed to be disbursed on goods and services. The 5 per cent of net base salary designated for the non-consumption component (NCC) was far less than the average percentage of disposable income saved by residents of 7 major industrialized countries, Austria and Switzerland *[A/51/30, para. 157-162]*.

There was concern that the current system was overly technical and difficult to understand. In spite of this, it was felt that it produced questionable results. Because the majority of HQ staff refused to participate in expenditure surveys, outdated information was being used as a basis for spending millions of dollars annually. There was grave concern about this situation, which pointed out the need to rely more on pragmatic decisions and external data *[A/51/30, para. 163]*.

Based on expenditure data last reported by the common system staff, the weighted average housing cost for HQ duty stations was about 29 per cent of net salary. When the 29 per cent expenditure weight for housing was added to the 41 per cent net salary adjusted by the comparator, a total of 70 per cent was arrived at. Noting the similarity between the in-area component when savings were taken into account and the in-area component when set at 70 per cent by reference to the comparator, it was accordingly proposed that the weight for total in-area expenditures including housing and medical insurance should not exceed 70 per cent. The proposal had been supported by the three ICSC-designated members on the Working Group by consensus *[A/51/30, para. 164]*.

ICSC analysed the various proposals and solutions advanced in the Working Group's report and during its own discussion of the issue, as follows:

(a) Proposals by ICSC-designated members (i) **Proposal for a 10 per cent savings component**. ICSC noted that this proposal had a measure of support by the organizations.

An analysis of its impact, however, showed that it would do little, if anything to alter the status quo; (ii) **70/30 proposal**. ICSC noted that this proposal had emerged from a study of several employers'

practices regarding the concept of "spendable income". While the proposal as formulated did not introduce the concept of spendable income as such, it did represent a rather significant change in the system; some members felt that its overall ramifications would need to be more fully explored. The caution urged by ACPAQ in this regard was also noted.

(b) Proposals by CCAQ-designated members (i) A major overhaul of the PA system starting from basic principles. Such an exercise would also involve development of a new listing of expenditure categories including the definition of a new "savings" category and development of methods for its quantification. ICSC noted that this was an ambitious project which could take a number of years. It considered that action needed to be taken with some urgency to address existing imbalances in the operation of the system; (ii) Three proposals relating to out-of-area data. The first of these was to leave the system unchanged, i.e., continue to use current data. This approach did not appear tenable to ICSC, *inter alia,* in the light of the difficulties it had encountered in the recent round of HQ surveys. For the same reason, it did not consider that it should rely on attempts to undertake a new data collection exercise, notwithstanding the organizations' offer to proceed with such an exercise - the second proposal by CCAQ members. The third proposal, which CCAQ members saw as a last resort if their second proposal failed to yield valid data, was for the definition of a new out-of-area component based on objective data related to the expenditure patterns of international staff.

(c) Proposal by a member of ICSC. During the course of the discussion, a member of ICSC indicated that for various reasons it would be advisable to adopt an approach to the problem which would be compatible with the present PA system. He proposed that a minimum amount of 20 per cent of base salary plus PA at the duty station should be added to the existing 5 per cent of net base salary for NCC to determine the out-of-area percentage weight to be used in the PAI calculations for group I duty stations. Where the actual out-of-area weight of the duty station was equal to or exceeded 20 per cent, the actual out-of-area weight plus 5 per cent for NCC, as defined above, should continue to be used as the out-of-area weight. Based on this proposal and using the results of the 1995 place-to-place surveys revised PAIs were calculated for HQ duty stations. This proposal was in line with the recommendation of ACPAQ that the out-of-area weights should be based on an administrative or empirical decision. The small difference with the current actual weights showed that the proposal could not be considered arbitrary *[A/51/30, para. 183]*.

ICSC considered it important to find a course of action around which members could rally: it did not believe it would be helpful to go forward with a split position or alternative solutions. It noted that the proposal for a minimum out-of-area weight plus a 5 per cent for NCC would serve to reduce gaps and anomalies in PA relativities. Indeed, its practical effect was very close to that of the 70/30 proposal. It had, however, the very distinct advantage of being within the framework of the existing methodology; as such, it would not depart from the fundamental purpose of the PA system. The proposal was very reasonable, and would simplify and streamline the system, which was considered by most to be unduly complex and opaque, while yielding questionable results. At the same time it would render the results more equitable. ICSC took note of the explanation by ICSC that the proposal would not affect the current method of treating out-of-area weights as an additive component under the modified Walsh formula, i.e., the current method would continue to be used. It further noted that the proposal would have no impact on field (group II) duty stations where the minimum out-of-area weight was established at 30 per cent. ICSC recalled that ACPAQ's request that it should seek an empirical or administrative decision had been framed in the context of out-of-area weights. It decided, therefore to support the proposal as outlined in (c) above *[A/51/30, paras. 184-186]*.

ICSC decided to inform the GA that with effect from 1 March 1997 expenditures corresponding to a minimum amount of 20 per cent of net remuneration (net base salary plus PA) at the duty station which would be added to 5 per cent of net base salary for NCC would be considered to have been

incurred outside the duty station. The above would constitute the out-of-area expenditure weight to be used in the calculation of PAIs. Pension contribution would continue to be taken into account as under the present system *[A/51/30, para. 188]*.

The GA in **resolution 51/216**: (a) endorsed ICSC's decision regarding the out-of-area expenditure weights and requested ICSC to continue to monitor this issue and to report to the GA, as appropriate; (b) noted the introduction, with effect from 1 March 1997, of minimum out-of-area expenditure weights in the calculation of PAI; (c) reiterated its request to ICSC urgently to complete its study regarding the methodology for establishing a single PAI for Geneva, and to complete the study needed to implement the single PA at the earliest date, and no later than 1 January 1998; (d) requested ICSC to review all the issues relating to the PA system, *inter alia*, those listed in resolution 50/208, and report thereon to the GA at its 53rd (1998) session.

1997 **45th session (April/May):** ICSC considered the report of ACPAQ on the work of its 21st session, held in New York from 1 to 7 April 1997 (ICSC/45/R.4 and Add. 1).

ICSC examined the recommendations of ACPAQ on the following methodological issues:

(a) time-to-time updating of the housing component of PAIs for HQ and other group I duty stations; (b) Report on the constellation method as applied by other international organizations. Under that method duty stations are clustered according to their market characteristics, consumption patterns, availability of goods, etc., for purposes of price comparison. A duty station in each cluster having the characteristics much closer to the base of the system is selected as a bridge duty station, that is, the centre of the constellation. Price comparisons between each duty station in the constellation and the base of the common system (e.g., New York for the UN common system) are accomplished through the bridge duty station which serves as an intermediary; (c) revision of rental subsidy thresholds at HQ duty stations. *The discussion and recommendations of ACPAQ and decisions of ICSC are reflected in section 2.1.72.*

ICSC approved the following recommendations of ACPAQ:

Time-to-time updating of the housing component of PAIs for HQ and other group I duty stations: (a) for HQ duty stations with external data for less than six years, the movement of actual rents over the latest two years should be used in the time-to-time updating of the housing component of the PAI until data were available for at least four years; (b) for other group I duty stations for which Inter-Organization Section (IOS) of the OECD data were available, these data should be used for place-to-place surveys as well as in the updating of the housing component. In cases where external data is not available, the CPI excluding subsidized housing, wherever possible, should continue to be used for updating; (c) the date of linkage of the housing components of the PAI with the movement of the average rent based on external data between 1995 and 1996 should be the implementation of the last place-to-place survey; (d) the IOS weights for dwelling types and for residency patterns used at the time of a place-to-place survey should be retained until the next place-to-place survey; (e) the two sets of 1995 rent data for London based on two different frames of neighbourhoods should be spliced. The coefficients obtained should be used to adjust the original rent data from 1990 to 1994, to take into account neighbourhood changes in the current frame of the rent survey. Aged rent data should be used in the calculation of the time-to-time index for London *[ICSC/46/R.10, para. 54]*.

Report on the constellation method: (a) It was not advisable at the current stage to apply the constellation method, which was still undergoing basic methodological development;

(b) ICSC should continue to keep track of developments in the use of the constellation method *[ICSC/46/R.10, para. 54]*.

PA at Geneva: *(ICSC/45/R.4 and Add.1)*

The GA, in its **resolution 50/208** (1995), had requested ICSC to establish in 1996 a single PAI for Geneva that is representative of the cost-of-living of all staff working at that duty station and to ensure equality of treatment of staff in other duty stations.

ICSC in its 1996 report had informed the GA that it had carefully considered its request and had sought the technical advice of ACPAQ. ACPAQ had pointed out several technical difficulties with respect to data collection and analysis, as well as policy, administrative and legal ramifications which mitigated against the establishment in 1996 of a single PAI for Geneva reflecting the cost of living of all staff working at the duty station.

In its **resolution 51/216,** the GA reiterated its request to ICSC urgently to complete its study regarding the methodology for establishing a single PAI for Geneva and to implement the single PA at the earliest date and no later than 1 January 1998.

ICSC obtained the services of an international management consulting company which formulated a general model which incorporated prices from Geneva and the French border area and took into account the proportion of staff (UN or not) residing in Geneva and in the French border area (territorial weights) and the spending patterns of staff working in Geneva. The equation also provided for the reflection of customs duties, value added taxes (VAT) and in some cases refunds of such taxes. In addition, the consulting firm also provided variants to the general model under different approaches for determining various parameters of the model.

After a careful examination of the general model, ACPAQ concluded it to be broadly appropriate and flexible but its full application at that stage posed operational problems. ACPAQ also considered another variant to the general model which specified *a priori* groups of items to be priced in the French border areas. It felt that the approach was too restrictive and concluded that the preferred solution should be one which met the following three criteria: containing a viable statistical methodology, relatively simple and transparent and capable of implementation by 1 January 1998.

In the light of the above considerations ACPAQ felt that a single index constructed on the basis of the general model developed by the consulting firm was not immediately obtainable *(ICSC/46/R.10, para. 63)*.

ICSC decided that: (a) the Chairman of ACPAQ and ICSC should consult with the organizations and staff in Geneva to obtain their views and comments on all viable options that would be responsive to the GA's request as well as on the legal, technical and administrative issues related to the methodology and its implementation; (b) the views and comments of the organizations would then be presented to the UN Legal Council for an opinion; (c) information obtained with respect to paragraphs (a) and (b) above would be consolidated into a document which would be submitted to ICSC at its 46th session for it to decide on action which could include the following: a single PAI based on prices in Geneva and the border areas of France; two separate PAIs, that is, one based on Geneva prices and the other based on prices in the border areas of France; or other options which would meet the GA's concerns *[ICSC/46/R.10, para. 93]*.

PA at the base of the system: The secretariat had prepared document ICSC/45/R.3 to assist ICSC in addressing the above issue. However, owing to time constraints, ICSC decided to postpone consideration of the matter to 1998 when a report on the issue was expected by the GA.

46th session (August): Returning to the issue of the **PAI in Geneva**, ICSC had before it a report on the results of consultations between the Chairman of ACPAQ and the ICSC secretariat on the one hand and representatives of organizations in Geneva to obtain the views and comments of the organizations on all viable options that would be responsive to the GA's request as well as on the legal technical and administrative issues related to the methodology and implementation.

In **resolution 51/216**, the GA reiterated its request to ICSC urgently to complete its study regarding the methodology for establishing a single PAI for Geneva, and to complete the study needed to implement the single PA at the earliest date, and no later than 1 January 1998.

For its consideration, ICSC was provided with: the legal issues raised by the ILO, ITU, UNHCR, WHO, WIPO and WMO *(reproduced in A/52/30, annexes VIII to XIII)*, some issues that had been raised during discussions the Chairman of ACPAQ and the ICSC secretariat had with the Geneva-based organizations as well as the contents of the report of the Chairman of ACPAQ *(reproduced in A/52/30, annex VII)*, and the views of the UN Legal Counsel *(reproduced in A/52/30 annex XIV)*.

ICSC considered the information provided by the organizations as an integral part of its consideration of the GA's request regarding the PA at Geneva.

ICSC noted that in addition to the two possible approaches to respond to the GA requests it had identified in 1995, there were two other possibilities that had been considered. Consequently, ICSC was faced with four broad approaches outlined below which could be pursued: (a) a single PAI reflecting prices of goods and services in Geneva and the neighbouring areas of France; (b) two PAs, one for those living in Switzerland and the other for those living in the neighbouring areas in France; (c) a single PAI based on the comparison of prices of goods and services in Geneva with those applicable in Manhattan only; (d) maintain status quo.

ICSC noted that all the Geneva-based organizations were in favour of the maintenance of the status quo, whereby the PA at Geneva would continue to be calculated on the basis of prices of goods and services in Geneva only. That would be tantamount to ignoring altogether the fact that approximately one third of the P staff working in Geneva lived in France and were subjected to prices of goods and services at their places of residence. It would also be in complete contradiction of the GA's request in its **resolutions 48/224 and 50/208** that ICSC ensure that place-to-place surveys conducted for all HQ duty stations were fully representative of the cost of living of all staff working in the duty station. Furthermore, it would also be in contravention of the GA's request in its **resolution 50/208** that ICSC ensure equality of treatment with staff in other HQ duty stations.

1997 The above alternative posed a serious difficulty insofar as the legal status of the staff members working in Geneva and living in France was concerned. From the information provided by some of the Geneva-based organizations it was evident that nationals of 153 countries were subject to visa formalities to enter France. Furthermore, staff members living in France were not entitled to any protection under the Conventions on Privileges and Immunities similar to that enjoyed by their counterparts living in Geneva. Their residence in France was simply "tolerated".

In view of the above, ICSC considered that the maintenance of the status quo was not only against the intent of the GA's request but was also not sound on legal grounds.

ICSC noted the views of the UN Legal Counsel that the introduction of any of the alternatives under consideration, except the maintenance of status quo, might result in years of litigation before both Tribunals, and that the cost and disruption caused by such litigation would need to be assessed against the cost reductions arising from the introduction of a new system. That was particularly so when transitional measures would most certainly be needed to ensure that the introduction of the new system did not violate acquired rights of staff.

As to the alternative involving the comparison of prices of goods and services in Geneva with those in Manhattan, ICSC noted that the proposal had not been discussed in great detail in the submissions from the organizations, although one organization had opposed it on the grounds that the present system was fair and equitable and took into account the fact of a national border. The alternative was also opposed by some of the organizations on the grounds that it was a system of rough justice, which was of doubtful validity.

While ICSC considered that it was an uncomplicated way of dealing with a difficult problem in a fair way, it would create some problems of perception. Furthermore, it would also raise the issue of whether it was appropriate to have in place two separate procedures - one comparing New York with Geneva and the other comparing New York with the rest of the world. ICSC recalled in that regard that the UN Legal Counsel had noted in his opinion that the exclusive use of Manhattan prices would result in raising the base of the system and that would have worldwide implications since all duty stations were measured by reference to the base. Of course, the Manhattan index could be used just for Geneva but the fact that it was used in one place might lead to demands that it be used on a universal basis.

ICSC next turned to the possibility of implementing two separate PAs for staff working in Geneva; one for those living in Geneva and the other for those living in France. ICSC noted that the organizations objected to that approach on the grounds that it would comprise an inequality between the treatment of staff assigned to Geneva and those assigned to other duty stations inasmuch as a single PA covered the entire area and enabled staff members to decide whether to live in an expensive or a less expensive area. It was also argued that the effect of a dual track PA would be that an employer in one country would pay salaries based on costs in another country, thus not respecting the sovereign differences of States. It was also felt that the PA was not an appropriate mechanism for dealing with the peculiar geographic nature of Geneva as a duty station. The organizations were also of the view that it would violate the principle of equal pay for equal work and raise the problems of verifying the actual residence of staff.

The UN Legal Counsel, however, considered that a system that looked at prices based on the actual place of residence of a staff member was acceptable from a legal point of view given the difficulty of attempting to establish a single PA across national boundaries. He was of the view that the fact that over one third of staff lived in France appeared to indicate that an index that ignored that fact could not serve the purpose of ensuring that the purchasing power of staff in Geneva was equivalent to those at the base of the system. The Legal Counsel further indicated that since the purpose of the PA was to equalize purchasing power of staff at all duty stations, a dual system would not be found to violate the principle of equal pay for equal work since it attempted to ensure that, even if staff resided in an area that was across a national boundary they had emoluments of similar purchasing power to those at the base, which was basic to any worldwide system of salary fixation.

The Legal Counsel also expressed the view that some organizations might have to amend their internal rules to implement such a dual PA mechanism scheme, and that its introduction should be delayed to enable the organizations to effect such change. He considered that a system that used data based on actual place of residence would seem reasonable and that the AT were unlikely to find that such a

system violated the rights of staff who had chosen to live in France, since it simply recognized the effect on purchasing power of such a choice.

Turning to the issue of the single PAI for Geneva based on the prices of goods and services in Geneva and the border areas of France, the alternative that the GA had requested ICSC to implement, ICSC noted the legal objections to that approach by the organizations. The organizations were of the view that the utilization of data from France was improper in law because the duty station was Geneva and not France, and that meant that the place of assignment was Geneva and not the place where staff lived because many staff members did not have the right to reside in France. That conclusion was reached either by consistent interpretation of the organizations' HQ agreements or because of definitions of the duty station in their staff regulations or rules. It was also argued that a PA that included data from France violated the right of staff to choose where they wanted to live, and the collection of such data would require changes to the legal texts that defined a duty station prior to implementation of any decision for a single PA. The Geneva-based organizations also considered that in law the duty station could not be extended to areas in France, since France had neither ratified the Convention on the Privileges and Immunities of the Specialized Agencies nor entered into HQ agreement with the organizations so as to enable them to provide legal protection to their staff.

The UN Legal Counsel, however, was of the view that, bearing in mind the basic purpose of the PA system, there was no particular reason why the measurement of actual expenditures of staff assigned to the Geneva duty station had to be limited to Geneva only, since what was being measured was the consumption patterns of staff residing in the duty station area to ensure equality of purchasing power. He considered that it was hard to see why an index could not look at the reality of staff expenditures, which in the present case was that over one third of the staff lived and spent money in France. He added, however, that the arguments put forward by the Geneva-based organizations had some merit and that it was difficult to predict how the AT would assess the competing arguments should the system be challenged. He expressed the view that any legal assessment was a matter of judgement and considered that the definition of the extent of a duty station did not constitute a legal bar taking into account actual expenditure by a substantial proportion of staff who had voluntarily chosen to reside within the duty station area without the protection of the Convention on the Privileges and Immunities of the Specialized Agencies.

The UN Legal Counsel stated that if the single PA alternative was pursued, ICSC should recommend that the GA give the organizations the time they needed to amend the texts of their relevant staff regulations and/or rules.

On the basis of its consideration of the views of the organizations and of the UN Legal Counsel, ICSC concluded that there were difficulties with all of the alternatives considered. ICSC recalled, however, that the legal difficulties associated with the single PA based on prices in Geneva and the neighbouring areas of France, as well as those associated with the dual track system, had been brought to the attention of the GA in 1995, **1997** albeit not in as much detail as had been done during the course of the current review. After having considered those concerns, legal issues and difficulties, the GA had directed ICSC to implement a single PA for Geneva that would take into account the fact that staff resided not only in Geneva but also in France.

ICSC decided to report to the GA that: (a) since its report to the GA in 1995 regarding the issue of the Geneva PA, a number of new facts had emerged, and, in view of that, ICSC had undertaken a comprehensive study of the entire matter and had identified four possible approaches to respond to the GA's request; (b) none of the approaches that ICSC had examined was without legal problems; (c) while it was technically possible to calculate a single PAI based on prices of goods and services in Geneva and the neighbouring areas of France, the following issues must be borne in mind before

pursuing such a course of action: (i) as with the other alternatives examined, there were a number of difficulties of a legal, administrative and technical nature associated with that approach. Implementation of results based on that approach for Geneva was not without risks; (ii) organizations in Geneva had indicated that the approach was incompatible with their staff regulations and rules, and they would need to have an opportunity to discuss it, as well as other legal and administrative matters, at the level of their governing bodies before implementing ICSC's decisions in that regard; (iii) if some of the Geneva-based organizations decided not to apply the single PA based on the above approach, it would be tantamount to a break-up of the common system; (iv) since it was anticipated that the approach would result in lowering the PA at Geneva, some transitional measures would need to be applied; (v) application of the PA resulting from the above approach might be appealed by staff at Geneva before the AT; (vi) while the application of the revised PA based on the above approach would result in some savings in the future when transitional measures were over, the net savings could not be assessed at the present stage since the cost of litigation before the AT was not known. In view of that, it might be advisable to undertake an analysis of net savings resulting from the above approach; (vii) Geneva-based organizations would require changes to their staff regulations that defined the duty station before the single PA based on the above approach was implemented; (viii) bearing in mind the above, it was not possible to implement the single PA for Geneva by 1 January 1998, as requested by the GA in its **resolution 51/216** *[A/52/30, para. 100]*.

In **resolution 52/216,** the GA welcomed with appreciation the extensive information provided by ICSC and the common system organizations. It requested ICSC to review elements such as the possibility for staff members of the UN common system: (a) to reside in France; (b) to travel to France; and (c) to transport goods between France and Switzerland. The GA also requested ICSC to review how transitional measures could be introduced under any option proposed by ICSC and approved by the GA, and to report thereon to the GA's 53rd (1998) session. The GA invited the executive heads of the common system organizations to bring the matter to the attention of their governing bodies with a view to considering changes as necessary to their staff regulations and rules.

1998 **47th session (April/May):** In following up on the above GA resolution on PA in Geneva, ICSC took note of new information provided by the organizations regarding difficulties involved in obtaining visas by staff of many nationalities, with the exception of nationals of the European Union and the European economic areas.

ICSC had examined various options, and had focused on the following two alternatives suggested by ACPAQ: (a) to establish a single post adjustment index for Geneva based on the pricing surveys conducted where staff were actually living (b) to establish two PA indices in respect of staff working at Geneva: (i) one for those residing at Geneva or elsewhere in Switzerland; (ii) another for staff residing in France.

ICSC noted the views of the organizations that the situation of the extremely high PA at Geneva relative to the base had narrowed considerably because of a number of factors since the request was first received by the Commission. As of 1 August 1998, the differential was just 6.6 per cent. In view of this trend, it was felt that there was currently no benefit to be derived in pursuing the matter further.

ICSC decided to inform the GA that it had made a conscientious effort to deal with the issue of establishing a single PA index for Geneva that would be truly representative of all staff working at the duty station. However, there remained complex technical, legal and administrative difficulties that currently mitigated against the establishment of such an index. ICSC would continue to monitor the evolution of PA in Geneva in the light of future developments, including the introduction of the Euro in selected countries of the European Union *[A/53/30, paras. 142-157]*.

In **resolution 53/209**, the GA requested ICSC, in the context of preparation of the next round of place-to-place surveys, to conduct a comprehensive review of the PA system as a whole with a view to its reform, with assistance of independent experts, if necessary, keeping in mind the need for cohesion within the common system and to ensure that PA at each duty station, with particular emphasis at headquarter duty stations, was fully representative of the cost of living of all staff members in the Professional and higher categories, working at each duty station, and to report to the GA no later than at its 55th session.

ICSC considered a request by the GA, as expressed in **resolutions 50/208 and 51/216**, to address the concerns of the Member States in the Fifth Committee regarding the operation of the PA system, including, *inter alia*, the issue of the PA at the base of the common system and to report to the GA at its 53rd session.

Some members of the Fifth Committee had been concerned with the following: (a) that PA increases at the base were automatic and that the GA had no direct role in their implementation; (b) that these adjustments at the base might be triggering automatic increases in PA at all duty stations; and (c) that the operation of the PA system at the base by ICSC resulted in maintaining the US/UN margin relativities without any double counting.

ICSC felt that explanations regarding the operation of the PA system at the base and as it related to margin management would serve to allay misunderstandings that had arisen from time to time in the past.

Following GA **resolution 39/27**, requesting ICSC to submit recommendations on a specific range for the net remuneration margin and a procedure that would enable ICSC to ensure that the PA system operated within that defined range, the margin range of 110 to 120 had been established and the procedures for the operation of the PA within that range were set up. These procedures included: (a) mechanisms for freezing PA at the base whenever it was determined that an increase in PA at the base would result in the margin going above the margin range; and (b) consequential action to adjust PA at other duty stations to maintain purchasing power relativities with the base.

ICSC felt that although it did not submit to the GA formal recommendations on PA classifications, the GA, through the approved margin mechanism, nevertheless exercised effective control over the level of PA and consequently the net remuneration not only at the base but also at all other duty stations. ICSC concluded that there was, as such, no automaticity with respect to PA increases at the base.

The PAI for New York was updated over time by the US Bureau of Labor Statistics, and the CPI and the remuneration in New York was adjusted periodically through the application of the PA system using the revised index. From an operational standpoint, PA increases at the base and at other Group I duty stations either became due after a 12-month period or following a 5 per cent increase in the index, whichever came first (known as the 12-month/5 per cent rule). An increase based on this rule at the base, however, was granted only if such an increase did not breach the margin range. Such increases were confined solely to New York, and were not automatically transferred to other duty stations. Increases at field duty stations were based on cost-of-living relativities between the base and the duty stations established through place-to-place price comparison surveys.

Some Member States had expressed concern regarding the magnitude of the PA multiplier (PAI minus 100) for New York and its relationship to salaries of US federal civil servants in Washington, D. C., in the context relative to the margin.

After examining the procedures involved in margin calculation, ICSC was satisfied that the actual net remuneration amounts resulting from the application of the rebased PAI for New York and the corresponding PA multiplier had been correctly calculated and applied in the determination of the UN/US margin.

Member States had observed that the PA system needed regular monitoring to ensure that relativities were maintained at the proper level. Recognizing this need, ICSC had delegated that function to its Chairman. ICSC noted that while exercising its statutory responsibility to decide on PA classifications at all duty stations, it had at the same time kept the GA regularly and fully informed of developments concerning PA, specifically as related to the base, New York, through its annual report on the US/UN net remuneration margin.

ICSC noted that (a) PA increases at the base were directly linked to developments in the comparator civil service and margin management, which was the mechanism by which the GA exercised control over the level of remuneration at the base and throughout the common system; (b) PA increases at the base were confined to New York, and were not automatically passed on to other duty stations. Benchmark cost-of-living relativities between the base and other duty stations were established at the time of place-to-place price comparisons, and were maintained by way of time-to-time adjustments; (c) elimination of PA at the base would mean that the management of the PA system would be outside the control of ICSC, which was the technical body mandated with the responsibility for its operation by all organizations of the common system; (d) elimination of PA at the base might entail amendment of ICSC's statute.

ICSC decided to inform the GA that after consideration of the request contained in GA **resolutions 50/208 and 51/216** with respect to PA at the base and after taking into account all its implications, it had concluded that (a) the current system of net base salary plus PA at the base was still the most appropriate way to ensure that the margin remained within the range of 110 to 120 and around the desirable mid-point of 115 over a period of time; (b) the existing technical measures for operating the PA system within the approved margin were producing the desired results *[A/53/30, paras. 126-140]*.

In **resolution 53/209**, the GA took note of ICSC's conclusions regarding the operation of the PA system at the base of the system, and requested ICSC to continue to explore the feasibility of using outside data sources for the next round of place-to-place surveys.

1999 **49th session (April):** The GA resolution 53/209 requested ICSC, in the context of its preparation for the next round of place-to-place surveys, to conduct a comprehensive review of the post adjustment system as a whole with a view to its reform, and to ensure that the post adjustment system at each duty station, with particular emphasis on headquarters duty stations, was fully representative of the cost of living of all staff in the P and higher categories. Although the request was worded in general terms, it was presented in the context of Geneva.

Post Adjustment at Geneva: The responses of the Commission in 1995, 1996, 1997 and 1998 were based on extensive consultations and studies in the context of which it had sought advice from ACPAQ, and the views of various advisers. ICSC had concluded that any change to the methodology for the establishment of the Geneva PAI had attendant legal, technical and administrative difficulties and that they mitigated against changes envisaged by the GA to the Geneva PAI calculation. ICSC had focused on the four options: a) establishment of a single post adjustment index based on prices in Geneva and the bordering area in France; b) establishment of two separate post adjustment indices, one based on Geneva prices and the other based upon prices in the bordering areas in France; c) establishment of a single post adjustment index based on the comparison of prices of goods and services at Geneva with those applicable in Manhattan only; d) maintenance of the status quo. All of

the options entailed numerous legal, administrative, political and technical difficulties *[see A/54/30, paras. 22-33]*. Among these were: a) a violation of the principle of equal treatment if some staff who are precluded from living in France had their post adjustment calculated with reference to costs in that area; b) the existence of a national border at close proximity made Geneva a distinct situation; c) the need to harmonize the organizations' staff rules and regulations as regards the definition of the area of duty station before any changes were introduced; d) the financial cost and disruption that would result if staff challenged any change to the system; e) costs associated with the implementation of transitional measures to ensure that the new system would not violate acquired rights of staff; f) the implementation of two indices would violate the equal pay for equal work principle; g) the dual post adjustment would require verification of actual place of residence of staff resulting in a serious administrative burden; h) the exclusive use of Manhattan prices would result in raising the base of the system and would have worldwide implications.

In view of the fact that the extremely high post adjustment of Geneva relative to the base had narrowed considerably since the GA's request was first made to ICSC, ICSC felt that there was no benefit to be derived in pursuing the matter further. While technical solutions are feasible, the administrative and legal difficulties associated with them were beyond ICSC's mandate. ICSC continued to believe the existence of a national border in close proximity to the duty station made Geneva a distinct situation which justified the current system, tailored to reflect that difference. The legal, administrative and technical difficulties associated with any of the above-described changes to the current arrangement militated strongly against implementation of those changes. ICSC concluded that there was no point in pursuing the matter further.

Review of post adjustment: The comprehensive periodic reviews carried out in 1981, 1989, 1994/95 and in 1996 had provided opportunities for streamlining the system and addressing abnormalities specific to a duty station. If the post adjustment was to continue to be responsive to developments in the world economy and the changing needs of the common system, it should be transparent, stable and predictable. Therefore, it should be allowed to function for a meaningful period of time so that any future review would take place on the basis of experience with its operation.

Separation of housing from the post adjustment: The GA, in its resolution 45/241, had requested ICSC to establish a pilot study to simulate the separation of housing costs from post adjustment calculations at a limited number of duty stations where valid housing comparisons were difficult. While the ICSC found that the methodology used in the simulation tests was technically sound, ICSC noted that the process of separation of rents from post adjustment by definition started at the base of the system, relative to which post adjustment allowances were set for all duty stations. The exclusion of rents from post adjustment was sensitive to the level of rents at the base, New York. The fact that rent alone represented 27 per cent of the net salary in New York significantly impacted on the study's outcome particularly for small field duty stations. In this regard, ICSC noted significant reductions of the take home pay in the majority of cases. Because of the sensitivity of the study's outcome to rents at the base, it might be difficult to maintain a relationship with the base that would be equitable for staff serving at field duty stations. Solutions to those questions would require changing the current system of remuneration, including abolishment of the universally applicable base/floor salary scale approved by the GA, plus post adjustment payments that served to equalize purchasing power of salaries. Such an approach could give rise to a number of complicated administrative issues, such as the reduction of salaries resulting in the possible disruption of the principle of equalizing purchasing power of salaries. Although the current methodology required comparisons of the cost of housing, which was difficult at certain small field duty stations, the new methodology that removed housing from post adjustment introduced greater complexities. Hence, the new system did not appear to offer any advantage. ICSC decided not to pursue further the issue of the separation of housing from post adjustment at small field duty stations *[A/54/30, paras. 80-99]*

2000 **51st Session (April)**: ICSC considered GA resolution 54/238 which called for further study of post adjustment for Geneva and specifically requested the study of five options with indicative statistics:

a) establishment of a single post adjustment index based on prices at Geneva and the bordering areas in France;

b) establishment of two separate post adjustment indices, one based on Geneva prices and the other based on prices in the bordering areas of France;

c) establishment of a single post adjustment index for Geneva and the surrounding cantons; and

d) establishment of a single post adjustment index based on the comparison of prices of goods and services in Geneva with those applicable in New York (Manhattan only).

ICSC requested the secretariat to make the necessary preliminary preparations on the Geneva matter, taking into account its established work programme.

52nd Session (July/August): ICSC approved the agenda proposed for the twenty-fourth session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex II to document ICSC/52/R.3.

2001 **53rd Session (June)**: ICSC considered the report of ACPAQ (ICSC/53/R.11) on the results of the cost of living surveys which had been conducted in Berne, Geneva, London, Montreal, Paris, Rome, Vienna and Washington D.C. in the fall of 2000. It decided: (a) to approve the results of the 2000 place-to-place surveys for Geneva, London, Montreal, Paris, Rome, Vienna and Washington D.C.; and (b) that the 2000 survey results for Geneva, London, Montreal, Paris, Rome, Vienna and Washington D.C. should be taken into account in the determination of their respective post adjustment classifications as of 1 July 2001.

ICSC endorsed ACPAQ's recommendation to continue the application of the Geneva post adjustment index to Berne.

2002 **55th Session (Jul/August):** ICSC approved the agenda proposed for the twenty-fifth session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex III to document ICSC/55/R14.

2003 **56th Session (March/April):** ICSC considered the report of ACPAQ on its 25th session (ICSC/56/R.6). The Commission reviewed the Committee's recommendations which dealt with a number of technical issues related to the next round of place-to-place surveys scheduled for 2005 as well as some other issues.

The Commission decided to endorse the recommendations of its Advisory Committee.

57th Session (July): The Commission approved the agenda proposed for the twenty-sixth session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex III to document ICSC/57/R13.

2004 **58th Session (Mar/Apr):** The Commission considered the report of ACPAQ on its 26th session (ICSC/58/R.6). The Commission reviewed the Committee's recommendations that covered a range of technical questions relating to the next round of place-to-place surveys scheduled for 2005 as well as some other issues.

The Commission decided to endorse the recommendations of its Advisory Committee and agreed that the Committee should hold its next meeting early in 2005 to finalize the methodological preparations for the next round of headquarters duty stations place-to-place surveys (ICSC/58/R.12).

59th Session (July): The Commission approved the agenda proposed for the twenty-seventh session of the Advisory Committee as set out in annex V to document ICSC/59/R18.

2005 **60th Session (Mar/Apr):** The Commission considered the report of ACPAQ on its 27th session (ICSC/60/R.8). The Commission reviewed the Committee's recommendations on methodological issues pertaining to post adjustment index calculations and preparatory activities for the next round of place-to-place surveys scheduled for 2005 at headquarters duty stations and Washington, D.C.

The Commission decided to endorse the recommendations of the Advisory Committee as contained in its report. The Commission also agreed that the Committee should hold its next meeting in early 2006 to review results of the place-to-place surveys at headquarters duty stations and submit a recommendation to its 2006 spring session (ICSC/60/R13).

61st Session (July): The Commission approved the agenda proposed for the twenty-eighth session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex II to document ICSC/61/R18.

2006 **62nd Session (Mar):** The Commission considered the report of the Advisory Committee on Post Adjustment Questions (ACPAQ) on the work of its twenty-eighth session, held in New York from 30 January to 6 February 2006 (ICSC/62/R.4). The Commission decided: (a) To approve the results of the 2005 place-to-place surveys for Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C., as recommended by the Advisory Committee;(b) That the 2005 survey results for Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C. should be taken into account in determining their respective post adjustment classification as from 1 April 2006; (c) To request that ACPAQ advise the Commission on the validity of using the cost-of-living differential between New York and Washington, D.C. established for purposes of post adjustment in the margin calculations and that the item be placed on the agenda of the next session of ACPAQ. See document ICSC/62/R14.

63rd Session (July): The Commission approved the agenda proposed for the twenty-ninth session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex II to document ICSC/63/R17.

2007 **64th Session (Mar):** The Commission considered the report of the Advisory Committee on Post Adjustment Questions (ACPAQ) on the work of its twenty-ninth session, held in Madrid from 5 to 12 February 2007 (ICSC/64/R.5). The Commission decided: (a) To endorse the recommendations of the Advisory Committee in respect of the proposed simplifications of the post adjustment index structure; (b) To request the secretariat to conduct an out-of-area survey to determine the out-of-area index and information on Internet purchases; (c) To authorize the secretariat to negotiate with Runzheimer International specific proposals to improve the transparency and readability of its biennial report, but postpone any methodological modifications to 2010; (d) To approve the Advisory Committee's recommendation to use the cost estimation models developed by the secretariat to estimate the financial implications of changes in both the base scale for staff in the Professional and higher categories, and in the mobility and hardship scheme (see annexes I and II of ICSC/64/CRP.4/Add.3); (e)To request the secretariat to develop a model to estimate financial implications of the education grant and present it at its sixty-sixth session.

65th Session (July): The Commission approved the agenda proposed for the thirtieth session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex II to document ICSC/65/R.15.

2008 **66th Session (Mar-April):** (This is pre-emptive) The Commission considered the report of the Advisory Committee on Post Adjustment Questions (ACPAQ) on the work of its thirtieth session, held in New York from 28 January to 5 February 2008 (ICSC/66/R.5). The Commission decided: (a) approve the adoption of the simplified PAI structure with 84 basic headings starting with next round of surveys; (b) to endorse the increased use of the Internet as a source of price data at Group I duty stations; (c) approve a new method of calculating the out-of-area index for next round of surveys, using of a new basket of twenty six countries and the corresponding weights derived from the 2007 out-of-area survey; the weights to be updated every five years; (d) to endorse the new template of the periodic report on cost-of-living differential between New York and Washington, D. C. of Runzheimer International to improve its transparency and readability; (e) to endorse the model for the estimation of the financial implications of the education grant as described in annex VI to document ICSC/66/R.5; (f) endorse the conduct of housing surveys at all headquarters duty stations in 2008; and (g) approve the collection of price data on organic/biological products in the "foods and beverages" category, starting with the next round of surveys.

2009 **68th Session (Mar-Apr):** The Commission considered the report of the Advisory Committee on Post Adjustment Questions (ACPAQ) on the work of its thirty-first session, held in Vienna from 26 January to 2 February 2009 (ICSC/68/R.9). The Commission decided: (a) to request that suggestions and proposals from organizations and staff federations concerning the list of items and their specifications, to be used in the 2010 round of surveys, be submitted to the secretariat no later than the end of July 2009; (b) to request its secretariat to finalize the list of items and specifications, as well as procedures and guidelines governing data collection in the 2010 round of surveys, and present them for review and final recommendations by the Committee at its next session; (c) to approve the Committee's recommendations regarding the modus operandi for the new approach to cost-of-living measurement based on real-time price comparisons with New York, for use in the 2010 round of cost-of-living surveys, including the recommendation that the prices of items, subject to the new approach, be collected via the Internet; (d) to request its secretariat to continue to develop and enhance strategies to improve staff participation in future cost-o f-living surveys; (e) that no further investigation of the issues pertaining to Betriebskosten (maintenance/running costs for Vienna) and the effects of currency fluctuations on the remuneration of staff serving in field duty stations was warranted; (f) to approve the Committee's recommendation limiting the scope of the cooperation between its secretariat and Eurostat and the Inter-Organizations Section of OECD to the exchange of statistical information; (g) to approve the Committee's recommendation that organizations and staff federations submit their recommendations regarding the structure and contents of ICSC the information packet of explanatory notes on the post adjustment system for human resources managers in writing by the end of July 2009; (h) to agree with the Committee's conclusion that the approved methodology for calculating and updating post adjustment classifications was being applied correctly and consistently for all duty stations; (i) to request its secretariat to study the effects of modifications to the post adjustment classification with a view to aligning the review of the post adjustment classifications of all duty stations to that of New York, and present its findings for review and a final recommendation by the Committee at its next session; (j) to request its secretariat to study the impact of shortening survey rounds for Group I duty stations, with due consideration to the costs and benefits, and present its findings for review and a final recommendation by the Committee at its next session.

69th Session (Jun-July): The Commission approved the agenda proposed for the thirty-second session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex II to document ICSC/69/R.13.

2010 **70th Session (Feb-Mar):** The Commission considered the report of the Advisory Committee on Post Adjustment Questions (ACPAQ) on the work of its thirty-second session, held in New York from 25 January to 1 February 2010 (ICSC/70/R.9). The Commission decided: (a) to approve the revised list of items together with their specifications, subject to further minor revisions prior to its finalization before the launch of the 2010 round of surveys; (b) to approve the continued use by the secretariat of the existing method for averaging price ratios of regular and organic/biological brands of food and beverage items for the 2010 round of surveys and to conduct experiments during the 2010 round aimed at testing the impact on the calculated post adjustment indices of treating organic/biological products as separate items; (c) to take note of the Advisory Committee's recommendations regarding the revised data-collection forms to be used in the 2010 round of surveys; (d) that the secretariat should conduct censuses of expenditures for all baseline surveys at headquarters duty stations and Washington, D.C., and use the data collected for the derivation of common weights, on the basis of the guidelines provided by the Advisory Committee; (e) that the secretariat should continue to explore further the feasibility of using Eurostat/Interorganization Section (Organization for Economic Cooperation and Development) Family Budget Survey results as a source of external data for the derivation of common weights; (f) that the contingency plans proposed in the event of insufficient response rates were adequate and that, whenever available and feasible for use, anonymized micro data sets from the Eurostat/Interorganization Section Family Budget Surveys should be used as a preferred source of external data. Otherwise, weights of relevant national consumer price indices should be used; (g) to call for the active cooperation of organizations and staff federations through the formation of local survey committees responsible for the coordination of all activities designed for the successful conduct of the surveys, in collaboration with the secretariat; (h) to call on organizations to facilitate the completion of the expenditures surveys questionnaires by their staff members; (i) to approve the proposed procedures and guidelines for data collection for the baseline place-to-place surveys at headquarters duty stations, as recommended by the Advisory Committee; (j) to note the results of further testing of both the new approach to cost-of living measurement based on real-time comparisons with New York and the new basket of countries used in the calculation of the out-of-area index; (k) that the post adjustment classification review cycles of group I duty stations and the five-year duration of survey rounds should remain unchanged; (l) to request the secretariat to continue its study of the possible modifications to the calculation of the post adjustment index based on New York prices that were updated on a regular basis, using the relevant consumer price index disaggregated series published by the Bureau of Labor Statistics; (m) to request the secretariat to review the post adjustment classification of Geneva in view of Switzerland's recent entry into the Schengen area; (n) to approve the schedule of the 2010 place-to-place surveys, as recommended by the Advisory Committee.

71st Session (July-August): The Commission approved the agenda proposed for the thirty-third session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex III to document ICSC/71/R.18.

2011 **72nd Session (Mar-Apr):** The Commission considered the report of the Advisory Committee on Post Adjustment Questions (ACPAQ) on the work of its thirty-third session, held in New York from 24 to 31 January 2011 (ICSC/72/R.9).

In reference to methodological aspects of the place-to-place surveys, the Commission decided: (a) to take note of the prices collected in New York and to affirm that the collection and processing of price data, including the analysis of the external rent data, and the development of the weighting structures had been carried out in accordance with the approved methodology; (b) to note that the secretariat had carried out place-to-place surveys in Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington D. C. and had analysed the survey data in accordance with the approved methodology; (c) to approve the recommendations of the Advisory Committee in respect of modifications of the specifications of selected items; (d) to note that the New York survey data would be used as a base for

making cost-of-living comparisons for both group I and group II duty stations; (e) to approve the new common weights for the 2010 round of surveys, obtained exclusively from staff reports on expenditures, without using external data; (f) to take note of the methodology to be used for data collection ans processing at field duty stations; (g) to permit its secretariat to modify survey questionnaires, as necessary, for use in the conduct of all surveys in the current round of cost-of-living surveys at both group I and group II duty stations, in order to improve them in the light of lessons learned from the baseline surveys.

In reference to results of the baseline cost-of-living surveys, the Commission decided: (a) to approve the results of the 2010 place-to-place surveys for Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington D. C., as recommended by the Advisory Committee; (b) that the results of the surveys for Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington D. C., should be taken into account in determining the post-adjustment classification of those duty stations effective 1 April 2011; (c) that additional place-to-place surveys be scheduled for Bulgaria, Hungary, Poland and Romania in the middle of the present round of surveys.

73rd Session (July): The Commission approved the agenda proposed for the thirty-fourth session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex II to document ICSC/73/R.16.

2012 75th Session (July): The Commission considered the report of the Advisory Committee on Post Adjustment Questions (ACPAQ) on the work of its thirty-fourth session, held in Rome from 23 to 30 April 2012 (ICSC/75/R.9). The Commission decided: (a) to request the secretariat to conduct a comprehensive review of the methodology underlying the post adjustment system, specifically addressing the following issues: (i) a review of the specification of the out-of-area weight to be used for post adjustment index calculations for all duty stations; (ii) a review of the classification of household expenditures, including purchases on the Internet, as in-area or out-of-area; (iii) an examination of the rationale for the inclusion of the pension contribution index in the post adjustment index structure; (iv) a progress report on the feasibility of incorporating geographical areas outside Geneva in establishing the post adjustment classification of Geneva; (b) to request the secretariat to develop procedures for assuring the quality of data collected from staff expenditure surveys; (c) to request the secretariat to conduct an out-of-area survey in 2012 for the purpose of updating the list of countries, and their corresponding weights, that are used in the estimation of the out-of-area index; (d) to defer taking a decision on the methodology for estimating the rent index for group I duty stations until after consideration of the recommendations of the Advisory Committee on Post Adjustment Questions on the issues in (a) and (b) above; (e) that the selection of neighbourhoods used for the collection of market rent data by the International Service for Remunerations and Pensions should not be customized for the various group I duty stations; (f) to approve the agenda proposed for the thirty-fifth session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex III to document ICSC/75/R.9.

2013 77th Session (July): The Commission considered the report of the Advisory Committee on Post Adjustment Questions (ACPAQ) on the work of its thirty-fifth session, held in Geneva from 23 to 29 April 2013 (ICSC/77/R.10). The report contained the Advisory Committee's conclusions and recommendations on the following items: the specification of the weight of the out-of-area component of the post adjustment index for group I duty stations; the classification of staff expenditures, including Internet purchases, as in-area or out-of-area; procedures for assuring the quality of data collected from staff expenditure surveys; the rationale for the inclusion of the pension contribution component in the post adjustment index structure; the feasibility of incorporating geographical areas outside Geneva in establishing the post adjustment classification of Geneva; and a revised list of countries, and their corresponding weights, that are used in the estimation of the out-of-area index, on the basis of the results of an out-of-area survey. The Commission decided: (a) to take note of the report of the

Advisory Committee on Post Adjustment Questions on the work of its thirty-fifth session; (b) to revert to the issues raised in the context of the comprehensive review of the compensation package; (c) that the operation of the post adjustment system should be part of the comprehensive review of the compensation package and that the Advisory Committee on Post Adjustment Questions should adjust its work programme accordingly.

2014 **78th Session (March)**: The Commission considered the progress report of the working group on the remuneration structure, including post adjustment.

The Commission affirmed that the maintenance of purchasing power parity of salaries was an essential feature of the compensation of expatriate staff assigned to different locations around the world, but also stressed the need for simplification of the post adjustment system to make it transparent, predictable and financially sustainable over time. In particular, it was suggested that the post adjustment index structure could be simplified by moving some of its non-local components (pension contribution, medical insurance and out-of-area expenditure) to base salary, thereby limiting its scope to the measurement of cost of living associated with in-area expenditure only. The secretariat explained that the complexity of the post adjustment index structure was the result of efforts to introduce a measure of stability to the evolution of salaries, thereby controlling costs, to minimize the disparity in the purchasing power of disposable income between high and low cost-of-living duty stations and to reflect the international character of the common system staff population by taking into account expenditures made outside the duty station of assignment. While the post adjustment system was more complex than the cost equalization approaches adopted by other international organizations, it was demonstrably more cost-effective. For example, in the World Bank system, the level of pay at the headquarters location, Washington, D.C., was applied to all staff regardless of the duty station of assignment, with positive adjustments for locations with a higher cost of living but no negative adjustments for locations with a lower cost of living than at the headquarters. Applying such an approach to the common system would certainly lead to a less complex and seemingly more competitive compensation package. Given that about 80 per cent of the common system duty stations currently had a lower post adjustment than that of New York, the cost implications associated with rebasing net remuneration so that the base pay scale applicable in New York would be the minimum for the common system, would be significant.

Commission members suggested that a cost-benefit analysis of simplification should be conducted, taking into account the administrative costs of operating the post adjustment system compared with various alternative, simpler systems, including those of the World Bank, the European Union and Coordinated Organizations, as well as of some member states. Some Commission members raised questions regarding the consistency of the post adjustment index with other commercially available cost-of-living indices. Considering the fact that post adjustment constituted a high proportion of the net remuneration of United Nations common system staff in the Professional and higher categories, it was believed important that the methodology underlying the post adjustment system be thoroughly reviewed.

The secretariat explained that cost-of-living indices produced by different entities might produce different results, in large part owing to differences in methodologies, target populations and the composition of baskets of goods and services, as well as the cost-of-living index structures. For instance, the post adjustment index structure incorporated not only expenditure at the duty station but also non-local components, while the indices of many others include only expenditure within a duty station. Therefore, any comparisons of the post adjustment index with cost-of-living indices produced by other entities had to take these differences into account. The Commission expressed the view that certain components of the post adjustment index were not easy to understand and the rationale for their inclusion in the index was not immediately apparent. It was suggested that a fundamental review of the

post adjustment index structure be undertaken, including a benchmarking exercise with the index structures used by other bodies. It was also noted with concern that the net remuneration of United Nations common system staff contained a proportion of post adjustment that they considered relatively high. In order to deal with this issue, several options were discussed, including: (a) Consolidating some portion of post adjustment into the base salary, an option that would move the base/floor salary from a nominal base closer to a real base of the remuneration system; if chosen, this option would need to be implemented in such a way as to avoid windfall gains in some duty stations; (b) Simplifying the composition of post adjustment by removing some of the non-local components from the post adjustment index; (c) Reviewing the way in which housing is treated in post adjustment. It was stressed that the financial and other implications of these options for the compensation system in general should be carefully analyzed before a definitive recommendation could be made. The Commission acknowledged that all these technical matters regarding the post adjustment system would be dealt with by ACPAQ, at its thirty-sixth session. The recommendations of the Advisory Committee would be submitted for initial review by the working group on the remuneration structure, including post adjustment, at its next meeting, before being considered by the full Commission at its seventy-ninth session.

The Commission decided: (a) To take note of the progress made by the working group; (b) To endorse the working group's proposals to focus on the following areas: …… (ii) Streamlining of post adjustment.

79th Session (July) The Commission in response to the request from the General Assembly in its resolution 68/253 to review and submit to the Assembly at its sixty-ninth session, proposals on synchronizing the post adjustment classification review cycles at headquarters duty stations, considered two proposals submitted by its secretariat in this regard.

The two proposals were: (a) Option 1: review all headquarters and other group I duty stations only once a year, on a predetermined date; (b) Option 2: review all headquarters and other group I duty stations at least once a year, on the anniversary date of the post adjustment classification review for New York.

Under both options, the review of the New York post adjustment, including any related changes to pension contributions, would be implemented at the same time for all group I duty stations. In the case of option 1, salaries would be adjusted a maximum of once a year, as the 5 per cent rule triggering more than one review in a year would no longer be applicable. Thus, the only difference between the two options was the abolition of the 5 per cent rule under option 1 and its retention under option 2. The secretariat assessed the impact of the proposals on its operations and concluded that there would be no significant budgetary or human resources implications under either option.

The main difference between the two options was that under option 1, the reviews for all relevant duty stations would be conducted only once a year, at regular 12-month intervals, whereas under option 2, the reviews would be conducted at least once every 12 months, with the possibility of a further review, depending on the evolution of the cost of living in New York, that is, upon the application of the 5 per cent rule. Members of the Commission agreed that the synchronization of post adjustment review cycles would enhance the transparency and predictability of salary adjustments but, at the same time, they stressed the need for addressing the possibility of galloping inflation in some locations. Finally, it was decided that the Commission respond to the General Assembly's request by submitting proposals for the synchronization of post adjustment classification review cycles; and that the retention of the 5 per cent rule be considered first by ACPAQ, as part of its review of the modification of the operational rules governing the post adjustment system, at its next session.

The Commission decided: (a) That the post adjustment classifications of all headquarters and other group I duty stations should be reviewed once a year, on the anniversary date of the post adjustment classification review for New York; (b) To refer the question of the continued use of the 5 per cent rule for group I duty stations for consideration by the Advisory Committee on Post Adjustment Questions, in the context of its review of the operational rules governing the post adjustment system, at its next session.

The GA in its resolution 69/251 recalled its request contained in its earlier resolution 68/253, that the Commission submit proposals on synchronizing the post adjustment cycles at headquarters duty stations, took note of the decision of the Commission to review the post adjustment classifications of all headquarters and other group I duty stations once a year, on the anniversary date of the post adjustment classification review for New York; as well as the decision of the Commission to refer the question of the continued use of the 5 per cent rule for group I duty stations for consideration by the Advisory Committee on Post Adjustment Questions, in the context of its review of the operational rules governing the post adjustment system.

2015 **80th Session (March):** The Commission considered the report of the Advisory Committee on Post Adjustment Questions on the work of its thirty-seventh session (ICSC/80/R.5).

The Commission reviewed the recommendations, which covered: the list of items and specifications in the market basket to be used for price data collection in the next round of place-to-place surveys; the redesign of all survey data-collection forms; the modus operandi for the use of price data collected under the European Comparison Programme for purposes of establishing post adjustment for the covered group I duty stations; proposals for modifications to the operational rules governing the post adjustment system; a review of the rental subsidy scheme in the context of the restoration of the trade-off between rental subsidy and post adjustment; and a review of the operation of the post adjustment system for New York in the context of the United Nations/United States net remuneration margin management mechanism.

The Commission approved the recommendation of the Advisory Committee to further revise the data-collection forms and the list of items and specifications for the 2016 round of cost-of-living surveys.

The Commission: (a) Approved all of the recommendations of the Advisory Committee from its thirty-seventh session as outlined in paragraphs 192 to 195 of document ICSC/80/R.9; (b) Approved the agenda for the thirty-eighth session of the Advisory Committee, as outlined in annex VI to document A/70/30; (c) Decided to request the secretariat to conduct further analysis aimed at submitting specific proposals regarding: (i) Modifications to the operational rules governing the post adjustment system, for the Commission's consideration at its eighty-first session; (ii) Implementation of key features of the rental subsidy scheme that should be harmonized across all organizations and duty stations. (see Section 2-1-72).

81st Session (July): In response to the above-mentioned decision of the Commission, the secretariat reviewed all the operational rules governing the post adjustment system and concluded that only four rules merited consideration for modification: (a) The 5 per cent rule under the existing regime of synchronization of post adjustment classification review cycles for group I duty stations; (b) The gap closure measure, specifically the 5 per cent augmentation of the survey-based post adjustment index in setting the new post adjustment classification for a duty station following severely negative place-to-place survey results; (c) The 0.5 per cent rule establishing the benchmark level of net take -home pay in the local currency at group I duty stations; (d) The establishment of rental subsidy thresholds.

Discussions and decisions by the Commission on the establishment of rental subsidy thresholds can be found in Compendium section 2.1.72.

The Commission decided: (a) To retain the 5 per cent rule to account for excessive inflation in group I duty stations in a timelier manner. The reference date for monitoring inflation should be reset at the time of the statutory review of the post adjustment classification, whether or not there was a real increase in salary. The rule should be implemented only if triggered more than three months before the statutory date of review of the post adjustment classification; (b) To modify the gap closure measure in determining the post adjustment multiplier applicable to a duty station by abolishing the 5 per cent augmentation of the post adjustment index derived from severely negative place-to-place survey results; (c) To continue to apply the 0.5 per cent rule, in accordance with existing operational rules.

2016 **82nd Session (March):** The Commission continued to keep under review the operation of the post adjustment system and, in this context, considered the report of ACPAQ on its work at its thirty-eighth session. The Commission considered the Committee's main conclusions and recommendations on methodological issues pertaining to the 2016 round of cost-of-living surveys, including the list of items and their specifications, redesigned data collection forms, procedures for establishing new common expenditure weights to be used in post adjustment index calculations, procedures and guidelines for data collection at headquarters duty stations, the schedule for the baseline cost-of-living surveys at headquarters duty stations and Washington, D.C., and a proposed agenda for the thirty-ninth session of the Committee.

The Commission decided: (a) To approve the revised list of items, together with their specifications, while granting the secretariat the flexibility to make further minor revisions, subject to the approval of the Chair of the Commission, prior to its finalization before the launch of the 2016 round of surveys; (b) To take note of the Committee's recommendations with regard to the revised data collection forms to be used in the 2016 round of surveys; (c) To approve the proposed procedures and guidelines for data collection for the baseline cost-of-living surveys at headquarters duty stations, as recommended by the Committee; (d) That the staff expenditures surveys at headquarters duty stations and Washington, D.C., should be addressed to all eligible staff and that the data collected be used for the derivation of common expenditure weights, on the basis of the guidelines provided by the Committee; (e) To include staff at the D-2 grade in the population of staff eligible for the Commission's cost-of-living surveys, starting with the 2016 round of surveys; (f) To call for the active cooperation of organizations and staff federations through the established local survey committees, with the secretariat, in order to ensure the successful conduct of the surveys and the achievement of the desired high response rates; (g) To approve the Committee's recommendation that, if response rates are insufficient, estimates of common expenditure weights, for the 2016 round of surveys only, be derived from 2010 common expenditure weights updated with relevant national consumer price indices; (h) To approve the changes to the basic heading structure of the post adjustment index, with effect from the 2016 round of surveys, as recommended by the Committee; (i) To approve the schedule of the 2016 place-to-place surveys, as recommended by the Committee; (j) To approve the proposed agenda for the thirty-ninth session of the Advisory Committee on Post Adjustment Questions as shown in annex III on document ICSC/82/R.5.

83rd Session (Jul-Aug): Pursuant to article 11 of its statute, the Commission continued to keep under review the operation of the post adjustment system and, in that context, considered the progress report (ICSC/83/R.9) prepared by the secretariat on its implementation of the methodology, as well as the guidelines and procedures, pertaining to the 2016 round of cost-of-living surveys, as approved by the Commission at its eighty-second session. The report covered the preparatory activities, including the finalization of the survey questionnaire and other data collection instruments, the development and testing of templates for the new integrated data entry and processing system, the strategy of the

secretariat for improving staff participation in the surveys, and the outcome of the pre-survey consultations with representatives of administrations and staff associations recently undertaken by the secretariat in all headquarters duty stations and Washington, D.C.

The secretariat demonstrated some of the survey instruments developed for the baseline surveys; and provided details on the communication strategy it designed to facilitate understanding of the survey process on the part of all stakeholders. The secretariat also reported that it had received full cooperation from the established local survey committees in all preparatory activities undertaken to date.

Representatives of staff federations expressed caution on the use of the Internet as a source of price data. The secretariat informed participants that the Commission's mandate came with the requirement that websites used as sources of price data should be associated with physical stores at the duty station and the items of interest should have the same specifications and the same price as those found in the associated physical stores. This principle was scrupulously adhered to during the price survey in New York. While the experience of this survey clearly indicated that online pricing would be the primary mode of price data collection in New York in the future, the secretariat agreed with the staff representatives that this data collection procedure might not be as effective for other duty stations and that the same rigorous market research that was done in New York would need to be replicated in other duty stations before major online price data collection could be employed.

Members of the Commission expressed the view that the redesign of the staff expenditure survey questionnaire and the development of the microsite, the electronic diary and other technical tools developed by the secretariat had considerably simplified the survey process for all stakeholders. With reference to the wide range of methodological and operational improvements that had been put in place by the ICSC secretariat, Commission members called upon organizations to invite all eligible staff members to participate fully in the upcoming baseline cost-of-living surveys and upon the established local survey committees to continue their cooperation with the ICSC secretariat in order to ensure the success of the surveys.

The Commission decided to: (a) Take note of the information presented in document ICSC/83/R.9 regarding the state of preparations for the 2016 round of surveys; (b) Call for the continued active cooperation by organizations and staff federations, through the established local survey committees, with the secretariat of the Commission, in order to facilitate the successful administration of the baseline cost-of-living surveys.

2017 **84th session (March):** The Commission considered the report of ACPAQ on the work of its thirty-ninth session, held in New York from 20 to 27 February 2017 (ICSC/84/R.7). The report addressed: (a) The approved methodology applied to the 2016 round of place-to-place surveys for cost-of-living survey comparisons between New York and the other seven headquarters duty stations and Washington, D.C.; (b) The collection of survey data in New York for the purpose of cost-of-living comparisons; (c) The Advisory Committee's recommendations on the results of the surveys conducted at the headquarters duty stations Geneva, Montreal, London, Madrid, Montreal, Paris, Rome and Vienna, and Washington, D.C.; (d) The recommendations of the Advisory Committee on aspects of the approved methodology that should be applied to surveys conducted in field duty stations; and (e) Other business.

On the methodological aspects of the cost-of-living surveys, the Commission:

1. Noted that the collection and processing of the data from the 2016 baseline cost-of-living surveys were carried out in accordance with the approved methodology;

2. Noted that the adjustments of the approved methodology by the secretariat with regard to data collection and processing were justifiable in the light of the reported circumstances;
3. Approved: (i) The new common weights for the 2016 round of surveys based on results of the household expenditure surveys; (ii) The continued use of size adjustment factors in the calculation of the rent index until the reliability of average rents for alternative dwelling living space sizes in New York was assured;
4. Approved that the secretariat be granted the flexibility to: (i) introduce minor modifications to the staff expenditure survey questionnaire to be used in the 2016 round of surveys, in the light of experience acquired during the 2016 baseline cost-of- living surveys; and (ii) make minor modifications to the specifications of some items and to remove from the market basket any items deemed difficult to find or to compare across markets, on the basis of experience acquired during the 2016 baseline cost-of-living surveys.

On the results of baseline cost-of-living surveys, the Commission decided:

1. To approve the results of the baseline cost-of-living surveys conducted in 2016 for Geneva, Montreal and Washington, D.C., as recommended by the Advisory Committee, and summarized in the table below; and
2. That the results for these three duty stations be implemented on 1 May 2017, taking into account inflation and exchange rate fluctuations between the survey date and the date of implementation of the results.
3. That the results, if negative for staff, would be implemented on the basis of established transitional measures.

Summary of the results of the 2016 cost-of-living comparisons between New York and Geneva, Montreal and Washington, D.C., as of the survey date

			As of Survey date		
			Survey post adjustment index	Updated post adjustment index	Difference (percentage)
Country	Duty station	Survey month (2016)	1.	(2)	(1)/(2)
Canada	Montreal	October	135.3	134.3	0.7
Switzerland	Geneva	October	165.9	172.4	-3.8
United States	Washington, D.C	September	144.0	142.3	1.2

The Commission decided to request the secretariat to: (a) Conduct research, in collaboration with partner agencies, as well as organizations and staff federations, including a price survey in Brussels, supplementary price data collection via a mini-survey in New York, and analysis of the Brussels price data, as well as other such data as may be available, with the objective of identifying and adjusting for any differences in the price data that may be attributed to the transition from the ICSC to the ECP survey systems; (b) Use the research findings to estimate a survey transition factor that can be used to adjust the in-area (excluding Housing) indices of all ECP-covered duty stations (London, Madrid, Paris, Rome and Vienna); and (c) Submit the results of the research for review by ACPAQ and final recommendations for the Commission´s consideration at its eighty-fifth session.

On the application of methodology for field duty stations, the Commission decided to:

(a) Approve the methodology to be used for data collection and processing for field duty stations;

(b) Approve the use of the modified housing costs for various housing types and sizes in New York as benchmarks in the calculation of the housing index for field duty stations; and

(c) Take note of the Committee's endorsement of the modifications to the questionnaires to be used for the cost-of-living surveys at field duty stations.

On other business, the Commission took note of the post adjustment issues in the Eastern European duty stations as referred to in paragraph 91 of document ICSC/84/R.8.

85th session (July): Pursuant to article 11 of its statute, the Commission continued to keep under review the operation of the post adjustment system, and, in that context, considered the report of ACPAQ on its work at its resumed thirty-ninth session, held in New York from 29 to 30 June 2017. The report addressed primarily the outcome of the special price survey conducted by the secretariat in Brussels and its application to the results of pending cost-of-living surveys at headquarters duty stations, for which price data collected under the European Comparison Programme, rather than by the ICSC secretariat, are used in post adjustment index calculations. The report also included the proposed agenda of the Advisory Committee's fortieth session.

The Commission had before it three documents. The first was a document prepared by Geneva-based organizations on considerations with regard to cost-of-living surveys and post adjustment matters, and the legal and managerial implications of the negative results of the cost-of-living survey for Geneva conducted in 2016. That document included an annex containing a report of the findings of a team of four statisticians (two from ILO, one from UNCTAD and a consultant, referred to in the present report as the "Geneva statisticians"), with regard to various methodological issues pertaining to the post adjustment system, as well as the secretariat's application of that methodology in calculating the post adjustment index for Geneva. The second document was a response prepared by the secretariat addressing the issues raised by the Geneva statisticians. The third was a note prepared by the staff federations that also dealt with issues related to the post adjustment methodology and operational matters.

Issues pertaining to the post adjustment methodology and its application to the baseline cost-of-living surveys for 2016 at headquarters duty stations and Washington, D.C.

While acknowledging the reaction of both the staff and administrations of Geneva-based organizations to the impact of the negative results of the survey on staff salaries, Commission members reiterated their unanimous view that the secretariat had implemented the post adjustment methodology correctly and suggested that the discussion proceed to implementation mechanisms. They emphasized that the purpose of the post adjustment index methodology was to maintain purchasing power parity of salaries across duty stations, and not to keep pace with inflation at any particular duty station. The large gap between the prevailing pay index and the underlying post adjustment index for Geneva was evidence that the survey results, even though negative, were nevertheless credible. They expressed satisfaction with the clarifications provided by the secretariat with respect to the post adjustment index methodology and its application to the baseline cost-of-living surveys and stressed that they had full confidence in the work of its secretariat and of ACPAQ. The Commission considered the report of the Geneva statisticians to be irrelevant, because it was based on assumptions and a methodology that was different from that approved by the Commission, and as a result yielded different results from those obtained by the secretariat. The Commission had an obligation to implement the results of the methodology that had been reviewed and approved and considered lawful. However, even if the post adjustment index methodology and its application were perfect, it would still not be desirable for them

to produce large salary reductions, and so the Commission should consider reinstating mitigation measures to cushion the impact of negative survey results on salaries of staff, in a manner that did not overly distort the purchasing power parity of salaries across the entire system.

Results of the baseline cost-of-living surveys for 2016 for Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C.

The results of the surveys for Geneva, Montreal and Washington, D.C., had already been approved by the Commission at its eighty-fourth session. The results for Montreal and Washington, D.C., were implemented as at 1 May 2017. However, the implementation modalities of the results for Geneva were discussed by the Commission at its eighty-fifth session, during its consideration of the results of the other duty stations with survey results that were significantly lower than the prevailing pay index, namely Rome and Madrid.

The Commission expressed the view that the mechanism of adjustment of the post adjustment indices of European Comparison Programme-covered countries by way of the Brussels survey and related studies was carried out in accordance with the recommendation of ACPAQ, and therefore the Commission was prepared to approve the results for those duty stations. The Commission, however, took note of the concerns expressed by organizations and staff federations about the comparability of the European Comparison Programme and ICSC price data sets and requested the secretariat to pursue further analysis and studies to either completely align the two systems in a manner that would allow direct price comparisons without use of the survey transition factor, or to pursue other options for obtaining comparable price data, by the next round of surveys.

Methodological aspects of the baseline cost-of-living surveys for 2016 at headquarters duty stations and in Washington, D.C.

The Commission decided to: (a) Reaffirm that the collection and processing of the data from the baseline cost-of-living surveys for 2016 were carried out by the secretariat in accordance with the approved methodology; (b) Take note of the findings in the documents prepared by the Geneva statisticians, and of staff federations, on various aspects of the post adjustment methodology, and the secretariat's response to those findings, and to provide both documents to the Advisory Committee on Post Adjustment Questions; (c) Request the Advisory Committee to continue its work on improving the methodology underpinning the post adjustment system, in collaboration with representatives of the administrations and staff federations of the United Nations common system.

Results of baseline cost-of-living surveys in Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C.

The Commission decided to: (a) Approve a margin of 3 per cent to be added to the results of all cost-of-living surveys conducted under the round for 2016 that are lower than the prevailing pay index by more than 3 per cent, in view of the recommendation of the Advisory Committee on Post Adjustment Questions at its resumed thirty-ninth session; (b) Approve the results of the baseline cost-of-living surveys for 2016 for London, Madrid, Paris, Rome and Vienna, as recommended by the Advisory Committee, and as summarized in the table below.

Summary of the results of the cost-of-living comparisons for 2016 between New York and Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C., as of the respective survey dates

As of survey date

Duty station	Survey month (2016)	Survey post adjustment index [2016 system] 1.	Updated post adjustment index [2010 system] (2)	Difference (percentage) (1)/(2)
London	September	159.6	159.9	-0.2
Madrid	September	121.9	128.3	-5.0*
Paris	September	140.3	141.8	-1.1
Rome	October	127.9	133.2	-4.0*
Vienna	October	136.1	136.4	-0.2

The Commission further decided: (a) That the results for London, Madrid, Paris, Rome and Vienna be implemented on 1 August 2017, taking into account inflation and exchange rate fluctuations between the survey date and the date of implementation of the results; (b) To change the implementation date of the results of the 2016 cost-of-living survey in Geneva from 1 May 2017 to 1 August 2017, in order to align the date of implementation with that of the other two duty stations for which the gap closure measure will be triggered (Rome and Madrid).

Implementation of the results of cost-of-living surveys conducted in the round for 2016

Taking into account the appeals by representatives of organizations and staff federations, the Commission decided to approve the following modification of the gap closure measure, an operational rule designed to mitigate the negative impact on salaries of the results of cost-of-living surveys that are significantly lower than the prevailing pay indices: (a) In accordance with the Commission's decision in paragraph 128 (a), the post adjustment index derived from the survey (updated to the month of implementation) is augmented by 3 per cent to derive a revised post adjustment multiplier for the duty station; (b) The revised post adjustment multiplier is applicable to all Professional staff members in the duty station. Existing staff members already at the duty station on or before the implementation date of the survey results receive the revised post adjustment multiplier, plus a personal transition allowance; (c) The personal transitional allowance is the difference between the revised and prevailing post adjustment multipliers. It is paid in full for the first six months after the implementation date; and adjusted downward every four months until it is phased out; (d) During an adjustment month, the new personal transitional allowance is calculated by taking the difference between the prevailing pay index and the pay index applicable to existing staff (that is, the prevailing pay index plus the existing personal transitional allowance), reduced by 3 per cent.

The Commission decided to request the secretariat to continue to pursue further analytical studies aimed at assessing the comparability of price data collected under the European Comparisons Programme with those collected by the ICSC secretariat. It also requested the secretariat to identify other sources of comparable price data by the next round of surveys.

By **resolution 72/255** the General Assembly, noting the efforts by the Commission to improve the post adjustment system: (a) Requested the Commission to report no later than at the seventy-fourth session of the General Assembly on the implementation of decisions of the Commission regarding the results of the cost-of-living surveys for 2016, including any financial implications; (b) Also requested the Commission to continue its efforts to improve the post adjustment system in order to minimize any gap between the pay indices and the post adjustment indices and, in this context, to consider the feasibility of more frequent reviews of post adjustment classifications of duty stations; (c) Further requested the Commission to review the gap closure measure in the post adjustment system during its next round of cost-of-living surveys.

2018 **86th session (March):** Pursuant to article 11 of its statute, the Commission continued to keep under review the operation of the post adjustment system, and, in that context, considered at its eighty - sixth session, the report of ACPAQ on its work at its fortieth session. The report included recommendations of the Committee with regard to the review of the post adjustment system by an external, independent consultant, as well as several issues regarding the housing component of the post adjustment index. After thorough discussion, the Commission decided to endorse the recommendations contained in the independent consultant's report with respect to areas of possible improvement of the methodology underpinning the post adjustment system, as outlined in the report of the Advisory Committee.

87th session (July): The Commission also considered a status report on the review of the post adjustment system, as well as a project management plan for the comprehensive review of the methodology underpinning the post adjustment system, developed by its secretariat in collaboration with organizations and staff federations and including timelines, work modalities, roles of key stakeholders and resource implications. The Commission endorsed the project management plan, called for the active cooperation of all stakeholders and invited representatives of staff and the organizations to contribute to the technical work of the secretariat by sharing their statistical expertise.

As a major step in the implementation of the project management plan, the Commission decided to conduct a review of the operational rules governing the determination of post adjustment multipliers, establishing a working group for that purpose with the full participation of organizations and staff federations. It also decided to establish a task force on the review of the conceptual framework of the post adjustment index. The work of the task force, together with methodological issues pertaining to the housing component of the post adjustment index, would be discussed at the next meeting of ACPAQ, in 2019. The Commission emphasized that the goal of the review was to revise the post adjustment system methodology and operational rules so as to enhance the accuracy, stability and predictability of salary adjustments.

SECTION 2.1.71
ADVISORY COMMITTEE ON POST ADJUSTMENT QUESTIONS (ACPAQ)

1975 **2nd session (August):** ICSC decided that, given the highly technical character of many of the matters which arose in the operation of the post adjustment system, it would require the advice of expert statisticians and that this advice could best be provided by the establishment of a subsidiary body. This body would report to ICSC, which would exercise final responsibility for the decisions to be taken. In order to ensure a direct link with the work of ICSC, a member of ICSC would serve *ex officio* as chairman of the subsidiary body. ICSC sought the approval of the GA, in accordance with article 27 of its statute, for the establishment of such a subsidiary body. ICSC intended to determine its precise terms of reference and its composition at a later stage, in the light of further experience of the problems involved *[A/10030, para. 18]*. As an interim solution ICSC agreed that the four outgoing members of the Expert Committee on Post Adjustments (ECPA), which had hitherto provided expert advice on post adjustment questions, who were willing to serve as consultants should meet under the chairmanship of a member of ICSC (Mr. Frochaux) *[ICSC/R.23, paras. 25, 35, and 37]*.

By **resolution 3418 (XXX)**, the GA approved the establishment, taking into account equitable geographical distribution, of a subsidiary body to provide expert advice to ICSC concerning the operation of the post adjustment system.

1976 **3rd session (March)**: ICSC approved the following terms of reference of this body (the "Advisory Committee on Post Adjustment Questions" (ACPAQ)): (a) to make recommendations to ICSC on the general administration of the system of post adjustments, particularly on questions of statistical methodology; (b) to make recommendations to ICSC on the post adjustment index appropriate for HQ locations and, when so requested, for field locations; (c) to advise ICSC on other post adjustment matters, including possible changes in the system, as appropriate. The Committee should be composed of six members, including one member of ICSC who would be *ex officio* chairman, from the following geographical regions: Africa, Asia, Latin America, Eastern Europe, Western Europe and other States. ICSC emphasized the need for the Committee to be composed of statisticians of recognized standing and ability, specialized in comparative cost-of-living statistics, including one familiar with conditions in the US. It appointed Mr. Frochaux as Chairman and invited the consultants who had participated in the *ad hoc* meeting of consultants on the post adjustment system in Rome in November 1975 to continue to lend their services for a further year. It invited the members of ICSC, organizations, and staff representatives to submit names of persons for appointment to the Committee after the expiry of the term of the current appointees.

ICSC emphasized that, while it did not exclude the possibility of reappointing those members who served the Committee for the interim period, the principle of rotation should be borne in mind, for example by staggered terms of office *[ICSC/R.42, paras. 67-69]*.

1977 **5th session (February/March):** ICSC noted the report on the 1st session of ACPAQ *(ICSC/R.74)* and concurred with the future work programme recommended by the Committee subject to the establishment of priorities that would enable ICSC to comply with the requests for advice that had been received from the GA *[ICSC/R.77, paras. 149 and 150]*. It approved the following arrangements for the appointment of members of ACPAQ, which would provide a measure of rotation while ensuring a membership having adequate experience with the post adjustment system: (a) the normal term of office of ACPAQ members should be four years; they should be eligible for reappointment for a second term; (b) members should be appointed by the Chairman of ICSC (acting under a delegation of responsibility under article 18 (2) of the statute) in consultation with the *ex officio* Chairman of ACPAQ and after receiving the views or proposals of the executive heads and staff representatives. One member should be selected from each of the following geographic regions: Eastern European region, Latin American region, Western European and other States region, African region, Asian

region; (c) on the present occasion, of the 5 present members: one should be reappointed for 4 years, one for 3 years, one for 2 years, one for 1 year, and one new member should be appointed for a full term of 4 years in place of one of the present members; (d) the terms of office of the members to be reappointed should be determined inversely to the length of time which they had already served on ACPAQ and its predecessor bodies; (e) in the event of the death or resignation of a member during his term of office, a replacement from the same geographical region should be appointed by the Chairman in accordance with the procedure indicated above for the appointment of new members; the replacement should normally serve for the unexpired portion of the term of office, except that (in order to avoid appointment of replacements for very short periods) the Chairman should have discretion to appoint the replacement for a longer period provided that the number of seats to be filled in any one year should not, as a result, exceed 2 *[ICSC/R.77, para. 152]*.

6th session (August/September): ICSC took note of the work done by ACPAQ at its 2nd session. It addressed three questions reported on by ACPAQ: (a) possible means of correcting divergencies between UN remuneration and that of the comparator country *(for the ICSC decision, see section 2.1.70)*; (b) basic changes in classes of post adjustment on 5 per cent rather than 5-point movements *(for the ICSC decision, see section 2.1.70)*; and (c) the treatment in post adjustment indexes of duty-free privileges accorded to certain categories of staff members in different duty stations. Having inquired into the manner in which different degrees of privileges were granted to staff members by host Governments when headquarters agreements were being concluded, ICSC believed that it was not for it to comment on the differences between the arrangements granted by sovereign Governments. Before it could pronounce on the way in which the resulting different situations should be reflected in the calculation of post adjustment it would need further information as to the existing situation in different countries and as to the effect the value of the privileges would have on the cost of living of the staff concerned. It requested that that information be provided and decided that meanwhile the existing arrangement should continue in force in Montreal *[ICSC/R.96, paras. 26, 27 and 31]*.

1978 **8th session (July):** ICSC considered ACPAQ's report on its 3rd session *(ICSC/R.120)* and took note of the results of the cost-of-living surveys carried out in New York and Washington. It welcomed the steps taken to increase the validity of the New York survey by widening both the range of items included in the collection of prices and the categories of staff members covered by the surveys of family expenditures from which the weighting patterns were derived, as well as refinements introduced in the collection and interpretation of housing costs. In addition, ICSC noted and endorsed the findings of ACPAQ concerning cost-of-living surveys carried out in London and Rome. It approved a revised methodology for the calculation of the progression factor for out-of-area expenditures. It also endorsed special measures to be taken with respect to post adjustment classifications in field duty stations where major currency fluctuations occurred and took note of ACPAQ's conclusions regarding methodological problems involved in the updating of indexes and in the collection of data of housing costs. ICSC had also requested ACPAQ to examine further the question of how duty-free purchase privileges granted to certain staff at certain duty stations should be treated in the calculation of post adjustment indexes. It adopted the following rule: whenever, at a given duty station, all staff members in the P and higher categories other than those who had the nationality of the duty station country enjoyed a particular privilege, the tax-free prices for the relevant item(s) of consumption should be used in computing the post adjustment index. If, however, any staff member in the P and higher categories other than nationals of the duty station country were excluded from the benefit of the privilege, the tax-free prices for the relevant item(s) should be disregarded and only the commercial prices taken into account *[A/33/30, paras. 143-145 and 147]*.

1980 **11th session (February/March)**: ICSC had before it documents ICSC/R.198 and Add.1 containing details of items discussed at the 4th and resumed 4th sessions of ACPAQ. CCAQ suggested that ACPAQ hold some of its future sessions at some of the larger field duty stations and include on its agenda the discussion of the latest place-to-place survey of the field duty station where it would be

meeting. ICSC, however, felt that it would experience serious difficulties in entertaining this proposal in view of budgetary constraints. CCAQ and FICSA also proposed that ACPAQ should consider place-to-place surveys of some of the major field duty stations in the same way as those at HQ duty stations. While agreeing with this idea in principle, ICSC felt that this would put additional burdens on the already overworked Cost-of-Living Section, since detailed reports on these place-to-place surveys would have to be prepared for discussion by ACPAQ. ICSC further noted that since ACPAQ met only once a year, implementation of survey results for field duty stations would be unduly delayed if they were to await examination by ACPAQ *[ICSC/R.212, paras. 57-60]*.

ICSC was informed by the Chairman of ACPAQ of the Committee's deliberations regarding the **cost of living in Geneva**, following a survey of living costs which had been carried out by the ICSC secretariat as of October 1978. The results of the survey had been examined by ACPAQ at its 4th session, when ACPAQ had agreed with the representatives of the Geneva-based organizations and staff that "the gap between the existing post adjustment index and the one reported by the secretariat as resulting from the survey was too wide and could not be accepted without further investigation by one of its members" *(ICSC/R.198/Add.1, para. 3) [ICSC/R.212, para. 61]*.

ICSC approved the general approach of ACPAQ to the whole issue of the cost of living in Geneva as set forth in documents ICSC/R.198 and ICSC/R.198/Add.1, in particular, the precautionary measure recommended by ACPAQ that the post adjustment index in Geneva remain at its level of October 1979, with the exception of adjustments resulting exclusively from changes in the exchange rate between the dollar and the Swiss franc. This temporary measure should be reviewed by ICSC at its 12th session in July 1980 on the basis of the results of a new comparison of living costs between Geneva and New York to be carried out in March/April 1980 *[ICSC/R.212, para. 68]*.

ICSC decided upon modalities for the new Geneva survey, based mainly upon the outline proposed by ACPAQ in its report of the resumed 4th session *[ICSC/R.212, para. 69]*.

On the recommendation of ACPAQ, ICSC approved the implementation with effect from 1 July 1980, of the **revised rental subsidy scheme**, as set out in ICSC/R.198/Add.1, para. 49 *(see section 2.1.72) [ICSC/R.212, para. 70]*.

Both CCAQ and FICSA concurred, and ICSC agreed, with the ACPAQ recommendation that the Cost-of-Living Section needed to be strengthened in terms of staffing and computer resources. As a first step, ICSC agreed to the transfer of one vacant Professional post to the Cost-of-Living Section on an interim basis. ICSC requested the secretariat to assess the resources needed by the Cost-of-Living Section, in terms of staff and computer facilities, to carry out the Section's work programme in an efficient and timely manner. It further requested the secretariat to prepare a report on additional funds required by the Section and to present it to ICSC at its 12th session, for consideration by ICSC as part of a request to be submitted to the GA for a supplementary appropriation in the 1980-1981 programme budget *[ICSC/R.212, paras. 71-73]*.

12th session (July/August): ICSC considered the report on the 5th session of ACPAQ. It reviewed in particular the cost of living in Geneva and in New York as well as the out-of-area price progression factor. ICSC decided to reduce the post adjustment index for Geneva by one class from its October 1979 level, which was 244.1 at the exchange rate of Sw.Fr. 1.69 to the US dollar. The new index for October 1979 would then become 232.5 at the same exchange rate. The old index would remain frozen until the new index reached 244.1. Thereafter, customary updating procedures would recommence. Adjustments for currency fluctuations would continue without interruption as heretofore. ICSC

requested the secretariat to inform it of the movement of the index at its 13th session *[ICSC/240, paras. 101 and 102]*.

ICSC was apprised of the result of a periodic rental survey carried out in New York in October 1979 in order to review the applicability of the corresponding component of the US Bureau of Labour Statistics CPI for New York City to the rents of P staff in New York. ICSC took note of ACPAQ's proposal that the procedure for reviewing rental costs of staff in HQ cities where a special housing index was calculated should be included in the review of the methodology of cost-of-living measurement *[ICSC/240, paras. 104 and 107]*.

ICSC approved ACPAQ's recommendation that an out-of-area price progression factor of 1.4 per cent (not compounded) be adopted with effect from 1 July 1980, subject to review at ACPAQ's 6th session *[ICSC/240, para. 108]*.

ICSC examined the ACPAQ recommendation that a special ACPAQ working group should be established to undertake studies for improving the methodology for cost-of-living measurement and its findings reported to a special session of ICSC. Among other topics, the working group would elaborate concrete proposals for consideration by ACPAQ on: (a) methodology and procedures for the conduct of expenditure surveys and price collection; (b) methodology for tabulation and processing of data and for index calculations, including the selection and the use of appropriate statistical formulae. The ACPAQ working group would be a purely technical body assisted by experts thoroughly acquainted with the subject-matter and including some experts to be proposed by CCAQ and FICSA. ICSC concluded that such a working group should be set up at a date and place to be determined in consultation with the parties concerned and that its findings should be reported to ACPAQ at an extended regular session to be held in 1981 *[ICSC/R.240, paras. 109-113]*.

1981 **14th session (July):** ICSC considered recommendations made by ACPAQ relating to the following matters concerning cost-of-living measurement surveys: (a) improving the computer facilities available to its secretariat; (b) producing booklets, manuals and operational handbooks explaining the post adjustment system and organizing training programmes for staff responsible for administering the system; (c) developing well-designed survey forms and questionnaires; (d) establishing regulatory mechanisms for control of all operations of the post adjustment system; (e) stratifying countries for the purpose of determining expenditure weights; (f) developing a common system of definition and classification of consumption expenditure; (g) conducting family expenditure surveys every six years; (h) conducting place-to-place price comparisons every three years; (i) improving the quality of price collection; (j) strengthening the price-collection machinery including more direct involvement by the staff of the Cost-of-Living Section; (k) continuing the use of the star method of comparison while investigating the possibility of introducing some time in the future the base-country invariant multilateral comparison method; (l) using local consumer price indices for making interim adjustments of the post adjustment indices between place-to-place surveys; (m) using regression analysis in comparing rents for post adjustment purposes; (n) treating sales prices and educational costs *[A/36/30, para. 99]*.

ICSC took note of the recommendations of ACPAQ on the methodology of cost-of-living measurements. It also noted the Committee's concern regarding present computer facilities in the Cost-of-Living Section. In this connection ICSC requested that various options be studied, including the acquisition of mini-computers, bearing in mind the requirements of the section and availability of existing data processing facilities in New York and Geneva. ICSC also considered the following issues dealt with by ACPAQ: (a) possible distortions in high and low cost-of-living areas; (b) out-of-area commitments of staff, particularly in low cost-of-living areas; (c) treatment of pension contributions as part of post adjustment; (d) treatment of housing costs in post adjustment; (e) spendable income; (f)

separation of the inflation and currency elements in the post adjustment system *[A/36/30, paras. 102-109]*.

ICSC noted that although much progress had been made towards improving the methodology for cost-of-living measurement surveys, further work remained to be done, not only on the methodology but on the other aspects of the post adjustment system. It agreed that ACPAQ would have a continuing role in monitoring the implementation of the revised methodology and in proposing further improvements to the system as a whole. ICSC requested the GA to take note of the information provided above. Progress made on the studies requested by the Commission on various aspects of the post adjustment system would be reported to the GA at its 37th session along with any pertinent recommendations *[A/36/30, paras. 110-111]*.

1982 **16th session (July):** ICSC reviewed ACPAQ's report on its 7th session *(ICSC/16/R.6)* and: (a) noted the progress made in the implementation of a new methodology for cost-of-living measurements; (b) delegated to its Chairman responsibility for the issuance of the post adjustment booklet and manual; (c) noted the progress made in the use of regression analysis for measurement of housing costs within the post adjustment index; (d) recognized the need for urgency in the extension of the rental subsidy scheme to staff members, particularly newcomers, at duty stations presently excluded from the scheme, and decided to invite a special working group consisting of two members of ACPAQ together with its Chairman to meet later in the year to consider the matter, and in particular the effect of the rental subsidy at the base of the system both in respect of other relativities and of the margin. The special ACPAQ Working Group should report to the 17th session of ICSC; (e) noted the modifications made to the ECPA formula to account for the rents of newcomers and those who changed dwellings; (f) noted the decision to conduct annual housing surveys in New York; (g) approved modifications in the administration of the post adjustment system, the better to respond to problems of acute one-time devaluation and galloping inflation; (h) approved the introduction of a technical improvement to deal with losses due to currency appreciation, including the date of 1 August 1982 for implementation of such measures; (i) noted the progress made in developing criteria for a special index for pensioners *[ICSC/16/R.24, para. 34]*.

1983 **18th session (July):** ICSC considered document ICSC/18/R.8 which provided summaries of ACPAQ's consideration of various items on the agenda of its 8th session, including recommendations concerning specific technical and operational aspects of the post adjustment system as well as the methodology to be used for making adjustments to account for the differences in cost of living and currencies in comparator country studies. The development of a special index for pensioners was also included in the document. In addition, ACPAQ had made recommendations regarding the inclusion in the agenda of the resumed 8th session of ACPAQ of cost-of-living surveys at five HQ locations (Montreal, New York, Paris, Rome and Vienna) and Washington, D.C. as well as the place-to-place survey in London, to be completed by the ICSC secretariat *[ICSC/18/R.33, para. 34]*.

ICSC approved the recommendations of ACPAQ relating to: (a) a price ratio for domestic service; (b) expenditure weights relating to international staff should be used for the purposes of reweighting the New York and Washington, D.C. CPIs; (c) procedures for making adjustments to account for the differences in cost of living and currencies in comparator country studies *[ICSC/18/R.33, para. 39]*.

ICSC also approved, as an exceptional measure for the current round of cost-of-living surveys at HQ duty stations and Washington, D.C., the recommendations of ACPAQ that access to additional data to be given to expert consultants appointed by administration and staff representatives *[ICSC/18/R.33, para. 41]*.

1st special session (November): ICSC considered the report of the resumed 8th session of ACPAQ. The Chairman of ACPAQ noted that the improved methodology approved by ICSC had been used by

the ICSC secretariat for the first time. ACPAQ had become aware of some very serious problems with regard to the results of the surveys, specifically those relating to the post adjustment index for the base city and the procedures used by the ICSC secretariat in the application of the methodology. ACPAQ had then requested the ICSC secretariat to undertake a detailed study relating to the post adjustment index for New York, including an in-depth examination of the various factors involved and using certain additional data from the US/BLS. ACPAQ was of the view that there were certain problems which related to the application of the methodology and that, unless and until studies relating to the post adjustment index for New York were completed and the survey data reprocessed, using the modified procedures for the application of the methodology, the exact level of post adjustment indices for various duty stations resulting from the place-to-place surveys could not be determined with certainty. ACPAQ was, therefore, not in a position to make specific recommendations at the time, but it intended to reach specific conclusions with regard to the survey results at its 9th session *[ICSC/S-1/R.4, paras. 12-14]*.

ICSC agreed that no decision with regard to the PACs to be applied to various duty stations should be taken for the time being. It decided that since the studies requested by ACPAQ were to be considered by the Committee at its 9th session, to be held in May 1984, it would wait until its 20th session to receive final recommendations from ACPAQ. ICSC expressed concern at the lack of participation by staff in cost-of-living surveys and requested the executive heads and staff representatives to ensure that staff participated fully in the cost-of-living surveys which were currently under way or anticipated. In instances where the rate of response was low, it instructed its secretariat to determine PAIs on the basis of the guidelines provided by ACPAQ at its resumed 8th session. ICSC also noted the points raised by the representatives of the staff of the Geneva-based organizations. It was of the view, however, that in the light of the explanations provided by its Chairman and the ICSC secretariat, no further action on the part of ICSC was necessary and that the concerns expressed by Geneva staff should be addressed within the framework of the decisions reached to date. ICSC took note of the explanations given by the secretariat that inasmuch as the survey in Geneva was still in process, it was possible to avoid some of the problems which had occurred in other duty stations after completion of the surveys *[A/38/30, addendum, paras. 7-10]*.

1984 **<u>20th session (July):</u>** ICSC considered the report of ACPAQ on its 9th session. ACPAQ made recommendations pertaining to the cost-of-living survey in New York (questions related to pricing and the level of the post adjustment at the base of the system), and cost-of-living surveys in Geneva, London, Montreal, Paris, Rome, Vienna and Washington, D.C. It made also recommendations concerning the processing of place-to-place surveys at field duty stations, effects of currency fluctuations on post adjustment classifications, and special measures for abrupt and substantial devaluation and high inflation *[A/39/30, para. 144]*.

The ICSC decisions regarding the post adjustment for New York and Geneva as well as special measures for abrupt and substantial devaluation and high inflation are recorded in section 2.1.70.

ICSC noted the cost-of-living survey results in major duty stations and approved the relativities between New York and the other six HQ duty stations and Washington, D.C. as recommended by ACPAQ *[A/39/30, para. 167]*. ICSC noted the procedure recommended by ACPAQ to the ICSC secretariat for the purposes of adjusting price and weights data pertaining to cost-of-living surveys at field duty stations. It also approved the recommendations of ACPAQ concerning the determination of the appropriate date for the implementation of survey results *[A/39/30, para. 168]*.

1985 **<u>22nd session (July)</u>:** ICSC reviewed the report of ACPAQ on its 10th session *(ICSC/22/R.7)*. The recommendations of ACPAQ 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 GA's consideration of ICSC's recommendations on a margin range; the operation of the PA 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. ACPAQ had 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 *[A/40/30, para. 132]*.

ICSC decisions regarding the operation of the PA system within a defined margin range are recorded in section 2.1.70.

ICSC took note of the view 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-à-vis* the US 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 23rd session *[A/40/30, para. 140]*.

ICSC approved the establishment of a separate rental deduction threshold at 64 per cent of the rental subsidy threshold *(see also section 2.1.72) [A/40/30, para. 141]*.

ICSC agreed that the next round of place-to-place surveys should begin only after the completion of the present round and after the 11th 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 *[A/40/30, para. 142]*.

The ICSC recommendations on the special index for pensioners are recorded in section 5.20.

1986 **24th session (July):** ICSC considered the report of ACPAQ on its 11th session. ICSC noted that the ACPAQ recommendations on the methodology for the conduct of cost-of-living surveys sought to achieve a balance between the need for statistical accuracy and for simplicity in data collection and analysis procedures, and to provide simplified methods that could be used quickly and effectively in cases of high inflation and/or substantial devaluation of the local currency. ICSC approved the ACPAQ recommendations on the item with some modifications. The full text of the changes made in the methodology is reproduced as annex III to the 24th session report *(ICSC/24/R.22) [A/41/30, para. 119]*.

ICSC approved with some changes the procedure recommended by ACPAQ relating to access to cost-of-living survey data and the consultation process between the ICSC secretariat and the organizations and staff. It decided that ACPAQ should be kept fully informed regarding the application of the consultation procedures *[ICSC/24/R.22, paras. 37-39]*.

ICSC decisions regarding duty stations with extreme PACs; possible elimination of the PA in New York; and duty stations with special measures are recorded in section 2.1.70.

1987 **26th session (July):** ICSC reviewed the report of ACPAQ on its 12th session *(ICSC/26/R.5)*. Among the issues considered were cost-of-living methodology, the rental subsidy scheme for both HQ and field duty stations, the separation of the effects of inflation and currency fluctuations, the elimination

of post adjustment at the base, the out-of-area price progression factor and multiple exchange rates *[A/42/30, para. 155]*.

ICSC conclusions on these matters are reflected in section 2.1.70 and section 2.1.72.

1988 **28th session (July):** ICSC considered the report of the 13th ACPAQ session *(ICSC/ACPAQ/13/R.16 and ICSC/28/R.4)*. The report contained the details of the Committee's overall review of the system as well as its consideration, *inter alia*, of the effects of inflation and currency fluctuations, the cost-of-living survey methodology, operational issues and the results of cost-of-living surveys at a number of major HQ duty stations and Washington, D.C. *[A/43/30, para. 32]*.

ICSC decisions on the overall review of the PA system and separation of effects of inflation and currency inflations in the PA system are reproduced in section 2.1.70.

In regard to the cost-of-living survey methodology ICSC decided that: (a) full place-to-place surveys should be carried out every 8 years and interim surveys every 4 years; (b) mini-surveys should be carried out at field duty stations at shorter intervals where necessitated by changes in local conditions *[A/43/30, para. 35]*.

ICSC noted that a **new round of cost-of-living surveys** had begun in 1987, based on prices collected in New York in November 1986, and that surveys had already been completed in London, Montreal, Paris, Rome and Washington, D.C. and more than 50 field duty stations, with two other HQ duty stations scheduled to be surveyed in the autumn of 1988. ICSC approved the survey results for the 4 HQ duty stations and Washington, D.C., for implementation as at 1 August 1988 *[A/43/30, paras. 38 and 39]*. *The related ICSC decisions are reflected in section 2.1.70.*

ICSC decided that place-to-place surveys should be carried out in Geneva and Vienna in the fall of 1988, as scheduled *[A/43/30, para. 43]*.

1989 **30th session (July/August):** ICSC considered the report of the 14th session of ACPAQ *(ICSC/ACPAQ/14/R.12 and ICSC/30/R.3)* which dealt mainly with issues related to the comprehensive review of conditions of service of the P and higher categories *(see also section 2.1.90)*. In this connection, it approved the ACPAQ recommendations: (a) that a single set of common expenditure weights should be used in PA calculations; (b) that the modified Walsh formula should be used in PA calculations instead of the Fisher formula; (c) regarding the treatment of out-of-area expenditures as outlined in the ACPAQ report and modified by the Working Group on the Comprehensive Review *(ICSC/30/R.4/Add.5)*; (d) regarding the use of a reduced list of items in COL surveys *(for the reduced list, see ICSC/ACPAQ/14/R.12, annex V)*; (e) regarding the use of external data sources; (f) that in the case of fluctuations in exchange rates, PA multipliers should be adjusted by the percentage change in the PAI *[ICSC/30/R.7, para. 23]*..

The related ICSC decisions are found in section 2.1.70.

ICSC approved the ACPAQ recommendations that in the case of exchange rate fluctuations, PA multipliers should be adjusted by the percentage change in the PAI *[ICSC/30/R.7, para. 24; see also section 2.1.70 and A/44/30, vol. II, paras. 251-256]*.

ICSC considered the results of the cost-of-living surveys conducted in Geneva and Vienna under the revised cost-of-living survey methodology approved by ICSC at its 14th session *[ICSC/30/R.7, para. 26; see also section 2.1.70 and A/44/30, vol. I, paras. 78 and 79]*.

ICSC took note of the results of the 1988 housing surveys in New York and Washington. It approved the ACPAQ recommendation that the modified ECPA formula should be discontinued and that the in-area portions of the New York and Washington PAIs should be based on the relevant reweighted CPIs *[ICSC/30/R.7, para. 27]*.

ICSC approved the ACPAQ recommendation that the use of the new out-of-area index should be extended pending implementation of the revisions proposed in the framework of the comprehensive review *[ICSC/30/R.7, para. 28]*.

1990 **32nd session (July/August):** ICSC considered the report of the 15th session of ACPAQ *(ICSC/ACPAQ/15/R.7)*. The report dealt with the survey methodology for implementing the GA decisions regarding the 1990-1991 programme of surveys *(see section 2.1.70)*; the methodology for calculating rent indices at HQ duty stations, combining weights and housing costs in PAIs, and the use of external data. It also contained information on ICSC action on ACPAQ's recommendations at its 14th session on technical PA issues within the context of the comprehensive review. The results of housing surveys at the 7 HQ duty stations and Washington were also included, together with the results of a further evaluation of the methodology for calculating the out-of-area index. ACPAQ's examination of an advance copy of the report of the Working Group on the treatment of housing in the remuneration system formed part of the report *(see also section 2.1.130) [ICSC/32/R.4, para. 10]*.

ICSC action on the ACPAQ report is reflected in section 2.1.70.

Third special session (November): ICSC considered the report of ACPAQ on the work of its 1st special session. *ICSC decisions are recorded in section 2.1.70.*

1991 **34th session (August):** ICSC considered the report of ACPAQ on the work of its 16th session *(ICSC/ACPAQ/16/R.7)*. The report dealt with technical PA issues relating to field duty stations and the exclusion of housing from the PA system at duty stations where valid housing comparisons were difficult or impossible, including an examination of the methodology used to measure the New York/Washington cost-of-living differential. Issues relating to place-to-place comparisons and the calculation of PAIs which required further studies before the next round of surveys were also identified *[ICSC/34/R.17, para. 16]*. *ICSC consideration of these matters is reflected in section 2.1.70.*

In reviewing topics identified by ACPAQ for further study, ICSC stressed the need to develop specifications that would achieve a proper balance between the use of precise specifications, with the risk of pricing fewer items in the field, and broader specifications which carried the risk of collecting prices for some items that were not fully comparable with those at the base city.

With regard to technical issues relating to field duty stations, ICSC decided: (a) that the secretariat should continue to apply the out-of-area procedures and modified formula for field duty stations as outlined by ACPAQ in its report; (b) that the application of the out-of-area bands system to field duty stations should be governed by a 2 percentage point stability rule; (c) that the breakdown of expenditure weights for the in-and out-of area components should be calculated on the basis of data collected using a simplified questionnaire. This should not preclude the secretariat from searching for more simplified data collection procedures; (d) to note that the programme of place-to-place surveys for 1991 should include at least 25 duty stations with the characteristics defined by ICSC for testing the separation of housing from the post adjustment. The selection of duty stations should be made in consultation with representatives of administration and staff. External sources of data should be used wherever appropriate.

With regard to **time-to-time surveys**, ICSC decided that: (a) for the purpose of updating PAIs following the results of a place-to-place survey, the following instruments could be used: (i) consumer

prices indices from local sources, when available and considered reliable; (ii) consumer prices indices for expatriate populations provided by organizations such as the National Institute of Statistics (INSEE) and the Statistical Office of the European Communities (EUROSTAT); (b) where such indices were not available, place- **1991** to-place survey should be carried out in lieu of the present time-to-time surveys; (c) flexibility should be exercised in developing programmes of place-to-place surveys in order to permit a response to sudden changes in conditions at field duty stations.

On the issue of **item specification**, which ACPAQ had identified for study in the context of the next round of surveys, ICSC decided that its secretariat should: (a) identify the possibility of revising specifications to conform with the type of duty station, while maintaining the same number of items; (b) identify problems that might arise from using precise specifications for one group of items or duty stations and broader specifications for other items or duty stations; (c) examine the possibility of using the constellation system for specific regions of the world; (d) report its findings on the above to ACPAQ at its 1993 session.

ICSC also decided that the secretariat should study further the problems of **car and other durable goods specifications** and report back to ACPAQ at its 1993 session. With respect to **the treatment of education costs**, ICSC decided that (a) price ratios for education costs used in PAIs should be based on data obtained by surveying schools attended by the international community at each duty station; (b) post-secondary education costs should continue to be excluded from post adjustment comparisons. The treatment of postsecondary education should be further studied; (c) the use of gross or net tuition costs (after deduction of grant) in constructing price ratios for post adjustment purposes should be studied further by the secretariat; (d) the secretariat should report its findings on these matters to ICSC in 1993; (e) education costs at the base should be adjusted for comparison purposes to take into account the current ceilings for education grant reimbursement at the time of the survey in each duty station.

ICSC noted ACPAQ's recommendations regarding (a) **the treatment of car insurance**; (b) **selection of outlets**; (c) **seasonal adjustments for fruits and vegetables**. It approved the recommendations of ACPAQ that with a view to improving survey response rates, enumerators should be used in surveys carried out at HQ duty stations and Washington, D.C. at the time of revision of common weights. For field duty stations, well-designed questionnaires, detailed explanations and instructions should be provided.

ICSC noted ACPAQ's recommendation that the secretariat should be requested to undertake an out-of-area expenditures within six months of the completion of the current round of place-to-place surveys. The preparation should be undertaken in full consultation with organizations and staff, and arrangements, once agreed should be reported to ACPAQ for appropriate review.

ICSC took note of ACPAQ's request to the secretariat that ACPAQ and all other parties involved should be kept informed about developments in the utilization of external sources of data for the PA system *[ICSC/34/R.17, paras. 16-35].*

For the ICSC consideration of the New York/Washington cost-of-living differential, see section 2.1.70.

1993 **38th session (July/August):** ICSC considered the report of the 17th session of ACPAQ *(ICSC/38/R.15),* together with a note from its secretariat on the measurement of housing within the PA system *(ICSC/38/R.6). ICSC consideration of the report is reflected in section 2.1.70.*

At the request of ICSC, ACPAQ reviewed the procedure used to calculate the cost-of-living differential between New York and Washington, D.C. It reported to ICSC that: (a) the methodology

proposed and the measurement provided by the consultant was technically sound; (b) the new methodology contained measurements and comparisons consistent with those previously recommended by ACPAQ; (c) differences between the new methodology and the methodology employed by US/OPM were justified on the basis of the different populations for which the cost of living was being measured; (d) annual updates of the differential would be sufficient to reflect adequately any changes in the cost-of-living differential *[ICSC/38/R.19, para. 70]*. *ICSC action on this item is reflected in section 2.1.70.*

1994 **40th session (June/July):** ICSC considered the report of the 18th session of ACPAQ *(ICSC/40/R.6)*. It noted the ACPAQ recommendations that, in view of the need for substantial additional work on the methodology for data collection and for its application as a component of PAIs: (a) the new round of place-to-place surveys should be temporarily postponed pending finalization of the methodology for collecting housing data and applying it as a component of PAIs. Rome, however, appeared to require a survey which could be accommodated in the existing round of surveys; (b) the secretariat, in collaboration with Organization Resources Counsellors (ORC), should urgently develop and test the methodology, while the data retained validity, in full consultation with representatives of organizations and staff. ICSC decided to postpone to its 41st session substantive consideration of all other issues addressed in the ACPAQ report *[ICSC/40/R.15, paras. 64 and 68]*.

1995 **41st session (May):** ICSC considered concurrently the reports of the 18th (ICSC/40/R.6) and 19th (ICSC/41/R.7) sessions of ACPAQ and that of the Working Group on the Operation of the Post Adjustment System (ICSC/41/R.8). The following areas required specific action by ICSC *(which is reported in section 2.1.70)*: (a) treatment of pension contribution in place-to-place comparisons and time-to-time adjustments; (b) treatment of group I duty stations in case of abrupt local currency devaluation; (c) methodology to implement section II G of GA resolution 48/224; (d) operation of the PA system. Other issues dealt with in the reports are considered below.

Place-to-place surveys for HQ duty stations and Washington, D.C. ICSC recalled that it had decided to postpone the start of the new round of place-to-place surveys pending finalization of the methodology for the application of **external housing data** in PA calculations at HQ duty stations. It took note of the conclusions of ACPAQ that the Inter-Organization Section (IOS) data, once refined along the lines it had recommended, should be applied at the 7 HQ duty stations when the new round of place-to-place surveys was conducted. In response to inquiries from members, the secretariat described the main characteristics of the IOS methodology. It was observed that it was a methodology that had been tested over time and was straightforward to apply. In that regard, members noted the recommendation by ACPAQ for further tests to determine the probable impact on PA of the new approach for measuring housing relativities at various duty stations in the system. In line with that approach the Working Group had made the point that implementation of external housing data would need careful study and a phased implementation strategy for smooth transition from the present internal ICSC data system to one based on external data *[ICSC/41/R.19, para. 234]*.

In considering **the calendar of place-to-place surveys,** ICSC was cognizant of ACPAQ's concern over the potential problem of non-participation of staff. The secretariat informed ICSC that while, in principle, it could proceed with the survey without staff participation, there would inevitably be questions raised by some parties with respect to the validity of the final results. Housing data were still needed from staff to calculate expenditure weights for housing and to establish rental subsidy thresholds. Without staff participation, the secretariat would be obliged to resort to use of estimates for major components of the PA such as expenditure weights for housing and out-of-area expenditures. After taking into account some background information by the secretariat, ICSC agreed upon the calendar of surveys *[ICSC/41/R.19, paras. 235-236 and annex VIII]*.

In considering the ACPAQ recommendations on methodological aspects of the PA system, ICSC received detailed information from its secretariat about the rationale behind them and their possible implications for the system. ICSC also considered recommendations on transparency issues which had originated in the Working Group and been endorsed by ACPAQ with minor modifications. It noted that the consultative mechanisms that were recommended in the system should facilitate the exchange of information that would lead to enhanced confidence in the system. It was, however, emphasized that the establishment of PAIs was vested in the ICSC Chairman as delegated by the ICSC under article 18 of its statute *[ICSC/41/R.19, para. 237].*

ICSC decided as follows in respect of the recommendations in the reports: (a) External data: (i) that external housing data from the IOS of the Coordinated Organisations should be applied to the 7 HQ duty stations and Washington, D.C., at the time of the forthcoming round of place-to-place surveys once the data set had been completed and refined; (ii) that gaps in the IOS data in respect of houses and two-bedroom apartments should be filled for the 7 HQ and Washington, D.C., and the selection of real estate agents for the New York survey should be refined; (iii) that the IOS data should be aggregated using IOS weights for number of bedrooms and type of accommodation so as to preserve full coherence of the data in the application of the PA system; (iv) that the price/quantity concept would be used in applying external housing data to the PA system; (v) that a specific methodology for determining non-rental costs of housing (utilities, garages etc.) using weights derived from surveys should be prepared in close consultation with all parties for use in the conduct of the next round of place-to-place surveys; (vi) that housing relativities should be determined using the Fisher index; the average-of-ratios method and the comparison method used by IOS to take into account the size of accommodation by size category and number of bedrooms; (vii) that the secretariat should develop a utilities index based either on survey data from the 1990 round of surveys updated to the current year or on data from the new round of surveys; (viii) that the secretariat should, upon completion of the surveys, present its findings to ACPAQ for consideration of adjustments to be made to reflect any additional "other housing costs"; (ix) that the secretariat should explore sources of data for "aged rents", including the New York Rental Stabilization Office, renting agencies and the real estate agents from which the IOS data were collected; (x) that tests to simulate use of external data for housing should be carried out by the secretariat to determine the probable impact of implementation on the post adjustment system; (b) Standardized housing weights for field duty stations: (i) that the following clusters of field duty stations should be established for this purpose": a. 90 per cent or more of staff living in houses; b. 50 but less than 90 per cent of staff living in houses; c. 10 but less than 50 per cent of staff living in houses; d. less than 10 per cent of staff living in houses; (ii) that each cluster would have one set of housing weights based on their housing survey data, except for cluster b., which would use the standardized housing weights for HQ duty stations; (c) housing cost comparisons: to take note of ACPAQ's recommendation that the method of the average of ratios should continue to be used in housing costs comparisons; (d) list of items and specifications: to take note of the revised list of items and specifications, which had been reviewed by ACPAQ for use in the next round of p/p surveys; (e) calendar of 1995 place-to-place surveys: to take note of the calendar of p/p surveys at HQ duty stations scheduled for 1995 *(see ICSC/41/R.19, annex VIII)*; (f)time-to-time updating of the housing component of the PAI for HQ duty stations: to take note of the progress report provided by ACPAQ at its 18th session on the application of consumer price indices divested of subsidized housing at some HQ duty stations. Where it was not possible to divest the consumer price index of subsidized housing, the secretariat would explore other solutions, including the use of data from an external source, for time-to-time adjustment of the housing component of the post adjustment index. Where it was decided to use other solutions, the duty stations affected should be informed about the particular method to be used, as well as the results, before application; (g) time-to-time updating of the post adjustment index at the base of the system: to take note of ACPAQ's recommendations that: (i)reweighted consumer price indices in time-to-time updating of the New York PA should be continued with appropriate modifications in the case of any elements for which experience indicated that UN population

expenditures were markedly different from the population surveyed by the Bureau of Labor Statistics' consumer price index. The housing component of the New York PA should be adjusted using external data, either from the IOS directly, from rental agents or through the conduct of separate surveys, so that the indices would be available for application at the time of the next cost-of-living adjustment in New York; (ii)the study of the possible use of Bureau of Census data for time-to-time updating of the housing component of the New York PAI should be discontinued; (h) out-of-area issues: (i) out-of-area component at field duty stations: that at field duty stations, out-of-area expenditures at the time of place-to-place surveys should no longer reflect the relativity between the New York PAI and the average of the PAIs for those countries represented in the out-of-area currency basked. The amount of expenditure for each group and subgroup of the item classification should be the same at all duty stations. Where the group or subgroup was considered to be classified "out-of-area" the amounts would be established as a proportion of net remuneration at the base of the system (i.e., New York); (ii) out-of-area survey: to take note of ACPAQ's recommendation that: a. the current basket of currencies would continue to be used as the basis of the out-of-area index component of the PAI; b. an out-of-area expenditure survey should be carried out at some future date on the basis of the experience gained from the present survey; (iii) treatment of the out-of-area component in the monthly updating of the post adjustment index reference date of exchange rate: to take note of ACPAQ's recommendation that: a. the present nine-month averaging system should be maintained unchanged; b. the out-of-area index should, as in the case of the in-area component, reflect the movement of local consumer price indices up to the fourth month prior to implementation as well as the exchange rates for all 21 countries in effect for the implementation month; (i) common weights for field duty stations: to take note of ACPAQ's recommendation that: (i) weights for items for which prices were not collected should be redistributed among other items within their respective groups or subgroups; (ii) weights for public entertainment (i.e., theatres and concerts, and others); goods not elsewhere classified (watches, accessories, other personal goods, writing, drawing equipment, stationery and supplies) and services not elsewhere classified (financial services, others) should be prorated among the other in-area weights, excluding housing; (iii) the long-distance public transport weight should be applied within the transport subgroup; (iv) the weight for buses and local transport should be applied within the transport subgroup; (v) weights for education costs, and for repairs and maintenance charges, should be applied without adaptation; (j) comparison methods--modified Walsh formula and common value shares and constellation method: (i) to endorse the recommendations of ACPAQ for continued application of the modified Walsh formula, using common value shares and the current methods of combining the housing, pension contribution, medical insurance and out-of-area components with the common value shares for in-area expenditures; (ii) that the secretariat should investigate how other international organizations applied the constellation method so as to gain practical insight into possible use of the method; (iii) that the present treatment of the dollar-driven expenditures and the out-of-area component in the post adjustment index should be continued; (k) transparency issues and access to primary data and calculation procedures for administration and staff representatives: to endorse the following recommendations from the Working Group: (i) independent experts from the organizations and staff could accompany the ICSC secretariat pricing team, as observers, during future price collection in HQ duty stations, as had been the arrangement for the 1990 round of place-to-place surveys; (ii) the two staff organizations should be invited to nominate local representatives to review the New York outlets; (iii) average price data at the base of the system could be published, but that should be done in conjunction with annual pricing surveys in New York which would be used as a basis for place-to-place comparisons as well as used as a check for time-to-time updating of the New York post adjustment index, which would continue to be based upon reweighted BLS consumer price index data combined with external data for the housing component; (iv) the ICSC secretariat, in consultation with organizations and staff, should continue efforts to improve survey reports; (v) improved reports should include clear explanations of PA changes as well as primary data for individual surveys and the PAIs at the component level; (vi) reports should be widely circulated to organizations and staff by electronic means; (vii) the ICSC secretariat should continue training activities on PA in the field and should

amend its work programme to expand those activities to be a regular part of its work programme at all HQ duty stations; (viii) the training sessions on PA should be included in the regular activities of the ICSC secretariat and should include two types of training: a. training sessions to provide a general understanding of the PA system to staff at large; b. training sessions to provide detailed technical explanations on the functioning of the PA system to staff who dealt regularly with PA matters; (ix) the establishment of local PA committees at field duty stations should be encouraged since they served a useful purpose in the exchange of information with the ICSC secretariat; (x) the ICSC secretariat should hold informal meetings as required with representatives of organizations and staff to discuss current PA issues and to provide further information regarding surveys that had been processed, particularly when substantial PA multiplier changes were involved; (xi) the ICSC secretariat should assist the coordinating committees at the field level in their tasks relating to the dissemination of the information on the PA system by making available the booklets and manuals developed by ICSC on the PA system as well as making survey data available via computer media;

(l) multiplier rules: to endorse the Working Group's recommendation that: (i) odd- as well as even-numbered decimals should be used in determining PA multipliers (to one decimal point); (ii) Australia, Hong Kong and the Republic of Korea should be moved from group II to group I; (iii) duty stations in the CFA franc zone should be moved from group I to group II; (m) international cost-of-living comparisons: to take note of ACPAQ's report on international cost-of-living comparisons by different institutions; (n) evolution of remuneration and indices at HQ duty station: noted, in the context of the evolution of remuneration and indices at HQ duty stations, that the change applied in Geneva to the treatment of the housing component of the PAI was consistent with the arrangements approved by ICSC and no further correction of the housing component of the Geneva PAI was due *[ICSC/41/R.19, para. 238]*.

1996 **43rd session (April/May)**: ICSC considered the report of the 20th session of ACPAQ *(ICSC/43/R.10)* dealing with: (a) aspects of the approved cost-of-living survey methodology applied in the 1995 interim round of place-to-place cost-of-living comparisons between New York and the 6 other HQ duty stations and Washington, D.C.; (b) the results of the above-mentioned surveys and ACPAQ's recommendations thereon; (c) methodology to implement GA request that ICSC establish in 1996, in respect of staff members whose duty station was Geneva, a single PAI fully representative of the cost-of-living of all staff working in the duty station; (d) comments by ACPAQ on the report of the November 1995 session of the Working Group on the operation of the PA system *(ICSC/43/R.16, para. 122)*.

Methodological aspects of cost-of-living surveys In reviewing the recently conducted round of surveys at the 7 HQ duty stations and Washington, D.C., ACPAQ had confirmed that the selection of outlets, price collection and processing of the data had been carried out in accordance with the methodology approved by ICSC, including the use of external data for housing. The latter feature had been incorporated into the methodology at the initial request of CCAQ. ACPAQ had also examined the relationship between the use of common weights and fixed or variable out-of-area weights in the context of the modified Walsh formula. The 10 per cent out-of-area weight for HQ duty stations established by ICSC at the time of the 1989 comprehensive survey had been in conformity with the concept of common weights. Subsequently, ICSC had decided at its 41st session to use actual out-of-area weights in the calculation of PAIs for HQ duty stations. As a result, those weights, which varied by duty station, could no longer be aggregated geometrically with in-area items using the Walsh formula, but had to be incorporated as an additive component. In the absence of data which could be used to derive specific duty station weights to calculate rent indices, there was a need to continue using the data provided by the Inter-Organizations Section (IOS) of OECD (Fisher formula). ACPAQ had reported that it was not in a position to endorse or not endorse the out-of-area weights for London, Paris, Rome, Geneva, Vienna and Washington, D.C. It had concluded that the matter should be left to

ICSC for it to make an empirical or an administrative decision. ACPAQ had also reported that the price collection in July and September 1995 and the survey of housing and domestic service costs in New York had been properly carried out and that the data provided a proper basis for place-to-place cost-of-living comparisons with other duty stations *(ICSC/43/R.16, paras. 123-126).*

ICSC recalled that, in the context of the 1989 comprehensive review, it had taken a policy decision to apply a standard 10 per cent out-of-area weight to Group I duty stations, which included HQ duty stations, in conjunction with the introduction of the modified Walsh formula. The rationale had been to set a median course between the concerns of Group I duty stations with hard currencies (which had considered that their out-of-area weights should be set at zero) and those with relatively weak currencies (which had argued for larger out-of-area weights). Actual out-of-area weights varied among the locations concerned, with an average of some 14 per cent. For duty stations with hard currencies, an important consideration had been to mitigate the effect of currency fluctuations. At its 41st session, ICSC had been informed by ACPAQ that the operation of other reforms instituted under the comprehensive review, notably the plus-or-minus 0.5 per cent rule, had removed the need for the 10 per cent band. ACPAQ had proposed two options to ICSC. The first foresaw the replacement of the 10 per cent band system by the use of actual out-of-area weights; the second would have maintained the band system with exceptions. ACPAQ had expressed a slight preference for the first option, which would enhance purchasing power parity. ICSC was thus confident that its decision to opt for actual out-of-area weights, which had been extensively discussed at the time, had a firm technical grounding and the support of ACPAQ itself. ICSC further noted that, although ACPAQ had pronounced itself unable to endorse or otherwise the out-of-area weights for 6 of the locations surveyed, it had at the same time requested ICSC to approve the survey results. In doing so, it had indicated that the percentage weights for the out-of-area component in the index calculation should be left to ICSC for it to make an empirical or an administrative decision. It was, moreover, clear to ICSC that the situation regarding out-of-area weights, including the degree of their acceptance, varied by duty station and did not amount to a blanket disavowal by ACPAQ. Under the circumstances, ICSC saw no basis, technical or otherwise, for changing a decision it had taken just one year earlier *(ICSC/43/R.16, paras. 136-137).*

Regarding the need expressed by several organizations for **specific expenditure surveys** to support the use of actual out-of-area weights, ICSC noted that the response rate to the current round of place-to-place surveys had, in the main, been low: it was therefore doubtful that much would have been gained from an additional survey, for which in any event no provision existed under the work programme. It was further noted that the low participation by staff in the surveys reportedly reflected decisions by FICSA and CCISUA that staff should boycott ICSC-sponsored activities. ICSC reiterated its earlier position that staff should not be sanctioned for refusing to participate in surveys; however, they should understand the consequences of their actions. Under the circumstances, ICSC had no option but to work with the data available to it *(ICSC/43/R.16, para. 138).*

ICSC recalled that the use of **external housing data** had been incorporated into the PA system at the repeated urging of CCAQ. It took note of the observations by organizations regarding circularity and the so-called "poverty-trap". Noting the explanation by the secretariat that the use of two different sets of data for establishing housing weights and for rent comparisons was in line with the recommendations of ACPAQ, ICSC reaffirmed its support for the use of external data, which enhanced simplicity and transparency. It was also satisfied, on the basis of the information provided by ACPAQ, that the data had been applied in accordance with the approved methodology *[ICSC/43/R.16, para. 139].*

ICSC considered that its conclusions regarding the above issues applied mutatis mutandis to all the duty station-specific survey results currently before it. It remained open, however, to the possibility of examining in future ways of improving the operation of the PA system. In that connection, ICSC

reaffirmed its full confidence in the work of ACPAQ. ICSC recalled that ACPAQ had been established specifically to deal with the technical aspects of post adjustment. ICSC's role was not to second-guess ACPAQ on technical grounds, but to make sound policy decisions, taking into account ACPAQ's technical advice, which struck a balance between technical exactitude and reasonableness *[ICSC/43/R.16, para. 140]*.

Place-to-place surveys. ICSC decided: (a) to note that external data on rents provided by IOS/OECD had been used in the calculation of the housing component of the PAIs; (b) to note the recommendations of ACPAQ with respect to: (i) the methodology for external rent data comparisons; (ii) apportioned housing costs; (iii) out-of-area weights; (iv) treatment of admission fees to sporting events, comparison of education costs, comparison of telephone charges and the elimination of the household insurance index from the comparison, comparison of prices of generic and proprietary drugs and the methodology for comparing medical insurance plans; (c) to note that the price collection in July and September 1995 and the survey of housing and domestic service costs in New York had been properly carried out and that the data provided a proper basis for place-to-place cost-of-living comparisons with other duty stations; (d) to endorse ACPAQ's position that the Commissary should be retained as an outlet in the 1995 place-to-place survey for Vienna; (e) to note that the collection and use of sales prices under the conditions it had recommended were in accordance with the approved methodology; (f) to note that the organizations were provided with a table showing the minimum and maximum prices divided by the average price per item in New York; (g) to note that other price information for New York should be provided in conjunction with the next price collection at the base; (h) to note that the ageing of rent data for New York was based on a method using the data on three-bedroom apartments provided by Feathered Nest; (i) to note that ICSC had carried out the interim place-to-place surveys and had analysed the survey data in accordance with the approved methodology.

ICSC considered the results of the cost-of-living surveys which had been conducted in the fall of 1995 at the 7 HQ duty stations and Washington, D.C., as summarized in the following table:

Summary of the results of the 1995 cost-of-living comparisons between New York and Geneva, London, Montreal, Paris, Rome, Vienna and Washington, D.C.

Duty station	Survey date	Exchange rate	Existing PAI a/	Walsh index	Survey PAI	Difference between new and existing PAI (%)
New York	Jul and Sept 95	1.00	147.73	-	-	-
Geneva	Nov 95	1.13	208.78	134.28	198.37	-5.0
London	Nov 95	0.630	146.36	105.79	156.28	+6.8
Montreal	Oct 95	1.34	114.45	84.08	124.21	+8.5
Paris	Nov 95	4.86	168.31	116.61	172.27	+2.4
Rome	Nov 95	1.610	142.59	92.96	137.33	-3.7

Vienna	Nov 95	9.80	179.65	119.38	176.36	-1.8
Washington	Sept 95	1.00	131.01	86.31	127.51	-2.7

a/ The existing PAI was calculated by updating the 1990 survey results using the exchange rate prevailing on the survey date at the respective duty station.

ICSC's detailed consideration of the surveys is contained in ICSC/43/R.16, paras. 144176.

1997 In **resolution 51/216**, the GA: (a) endorsed the ICSC decision regarding out-of-area expenditure weights and requested ICSC to continue to monitor this issue and report thereon to the GA as appropriate; (b) noted the introduction, with effect from 1 March 1997, of minimum out-of-area expenditure weights in the calculation of PAIs.

45th session (April/May): ICSC considered the report of ACPAQ on the work of its 21st session *(ICSC/45/R.4 and Add. 1). ICSC decisions on the recommendations of ACPAQ are dealt with in section 2.1.70.*

Time-to-time updating of the housing component of the PAIs for HQ and other group I duty stations. ICSC recalled that its decision to use housing data from external sources had among its objectives the improvement of the measurement of housing cost relativities with the base of the system and as a consequence elimination of the circularity trap. It noted that housing was a unique commodity and that there were a number of secondary attributes such as the quality of the neighbourhood, quality of schools, access to shops, security, commuting distance to work, etc., which affected its price. Under the existing methodology, these attributes together with information on areas where staff resided were taken into account in the selection of neighbourhoods for collection of rent data.

During discussions of the issue of the use of occupancy weights provided by the Inter-Organizations Section (IOS) of OECD, members took note of ICSC's explanation that one of the objectives of ageing rents was to smooth the time-to-time movement of average rents. Consequently when market rents either declined or increased the impact on the index would be smoother. In explaining the reason behind the use of IOS occupancy weights in rent index calculations, ICSC stated that the primary data and weights used were obtained from external sources in order to minimize the effect of circularity.

ICSC also considered a suggestion put forward by the organizations for the use of equal weighting in the six-year rent model. Members took note of information provided by ICSC that equal weighting would not have produced any significant effect on the results which had been presented to ACPAQ as there was no large weight attached to any single year in the existing model. ICSC noted that ACPAQ had considered the six-year model to be realistic and had recommended that weights for dwelling types and residency patterns used at the time of a place-to-place survey should be retained until the next place-to-place survey. During that period more information could be built up which could then be used to review existing weights *[ICSC/46/R.10, para. 50-52]*.

Report on the constellation method as applied by other international organizations. ACPAQ considered a note by ICSC *(ICSC/ACPAQ/21/R.4)* on the application of the constellation method by other international organizations. It was recalled that the issue relating to the use of the constellation method had been raised by FAO at the 18th session of ACPAQ in connection with the abrupt devaluation of the Italian lira in 1992. FAO had felt that the use of the method would mitigate the disparities in PAIs

between duty stations in Europe. At its 41st session, ICSC approved a recommendation by ACPAQ that ICSC should investigate how other international organizations applied the constellation method.

In the process, ICSC contacted a number of institutions and organizations such as the Statistics Division of the UN, the World Bank, EUROSTAT and the University of Pennsylvania. The constellation method was one in which a price comparison between a country and the base of the system was derived through comparison with a bridge country. The method was used under the International Comparison of Prices (ICP); the purpose of the ICP being to secure international comparability of the gross domestic product.

The method had certain potential advantages that could ensure good comparisons at regional levels, for example, if the comparison involved well-defined characteristic products within the regions. Notwithstanding the potential advantages, a number of problems were identified, among them difficulties for some regions in finding an ideal centre. Its data requirements were also greater than in a binary method. Additionally, the method was bound to be more complex than the one currently in use for measuring cost-of-living relativities within the PA system. It was pointed out that methodological research aimed at improving the method was still continuing among several institutions.

ACPAQ members noted that the constellation method had a number of variants. For example EUROSTAT used some variant of the method in developing weights for some homogeneous groups where consumption expenditure data for some countries might not be readily available and there was therefore no basis for calculating weights. This was done with no bridge country.

In the PA system, as in the purchasing power parities programme in the intra adjustment system, as in the purchasing power parities in the intra and extra European Union compensation system, which cover specific groups with a certain consumption pattern and which are systems with single bases, the constellation method might not provide significant advantages over the binary approach.

The constellation method was thus thought to be a suitable method for global comparisons. Attention was drawn to the fact that ICP and the PA system had different objectives. In this regard the bridge-country method could be used in a limited way, and might not be very appropriate.

1997 It was emphasized that any method used in the measurement of the cost of living had both advantages and disadvantages. For example, it was mentioned that for the purposes of the UN common system, the Fisher formula was theoretically the most appropriate as it is ensured the most accurate ratios. The Walsh formula currently used had a merit of simplicity. It was further pointed out that the application of the Walsh formula introduced some element of multilateral approach in the measurement of PA.

The view was expressed that the constellation method was in principle less suitable for PA calculation because its properties were not entirely consistent with the objectives of the PA calculations, i.e., obtaining the most accurate measures of price comparisons between each duty station and New York. The nature of the constellation method was such that achieving the above objective would be difficult, if at all possible from a theoretical point of view. It did not preclude the use of the constellation method in selected cases to solve some practical problems *(ICSC/45/R.4, paras. 39-50)*.

Revision of rental subsidy thresholds at HQ duty stations. *The discussion and recommendations of ACPAQ and the decisions of ICSC are reflected in section 2.1.72.*

ACPAQ examined ICSC document *(ICSC/ACPAQ/21/R.5)* on the method of revising rental subsidy thresholds at HQ duty stations. It was recalled that the rental subsidy thresholds were calculated as the

average of gross rent to average net income ratios at a duty station, increased by a margin of two percentage points. Rental subsidy thresholds were calculated at both the dependency and single rates.

In discussing the item, ACPAQ felt that there was a need to look into the whole system of subsidy threshold. The underlying assumption of monotonic increase in rents was currently being defied as rents in come duty stations were declining. There was a need, therefore, to devise a system that would handle declines and increases in market rents. The view was expressed that it seemed that rent movement might be following a cyclical pattern. ACPAQ was therefore supportive of the pragmatic proposal to freeze the thresholds until such a time as ICSC reviewed the system. ICSC should study all aspects of the operation of the rental subsidy scheme in view of new market developments and submit a report to ICSC *(ICSC/45/R.4, paras. 53-60)*.

Method for the construction of PAI based on prices in Switzerland and France. *ICSC consideration of this issue (ICSC/45/R.4/Add.1) is reflected in section 2.1.70.*

1998 **47th session (April/May):** The Commission considered proposals for agenda for the twenty-second session of the Advisory Committee on Post Adjustment Questions (ACPAQ). It was noted that ACPAQ would study proposals by the ICSC secretariat and formulate recommendations on the application of cost-of-living measurement methodology for the next round of place-to-place surveys in the year 2000. The methodological issues would cover further simplification of the structure of the post adjustment index, procedures for selection of outlets, use of alternative sources of data for calculation of expenditure weights, use of rent data from external sources.

ICSC decided to include in the agenda of ACPAQ the question of the effect of exchange rate fluctuations upon total compensation comparisons and approved the agenda for the 22nd session of ACPAQ.

48th session (July/August): In the context of the next full round of place-to-place cost-of-living surveys at HQ and Washington, D.C., which was planned for the year 2000, ACPAQ informed ICSC that it would study proposals by the ICSC secretariat and formulate recommendations on the application of one methodology and preparatory activities for the surveys. The methodological issues covered further simplification of the structure of the post adjustment index, procedures for the selection of outlets where prices were collected, use of alternative sources of data for calculation of expenditure weights, use of rent data from external sources and an assessment of any possible impact on post adjustment of the introduction of the euro in selected countries of the European Union. The proposed agenda for ACPAQ's next session also included an item dealing with the issue of transparency of the post adjustment system.

ICSC noted that a number of methodological issues were being submitted to ACPAQ for its views and in this context enquired as to whether related issues, which had been raised in the report of the Board of Auditors on the management review of the ICSC secretariat, were covered by the agenda. In response, the secretariat called attention to the issue of the selection of outlets for pricing, the possible use of alternative data sources for calculating expenditure weights, the use of sampling techniques and simplified questionnaires to improve response rates in cost-of-living surveys by staff.

ICSC decided to include in ACPAQ's agenda the question of the effect of exchange rate fluctuations upon total compensation comparisons *(ICSC/48/R.8, paras. 19-25 and ICSC/48/R.4)*.

1999 **49th session (April):** ICSC considered document ICSC/49/R.4, which contained the ACPAQ report on its 22nd session. The report included the Committee's review, including recommendations on certain methodological issues on the post adjustment index (PAI) and preparatory activities relating to the next round of place-to-place surveys planned for 2000 at headquarters duty stations and Washington D.C.

The recommendations provided guidelines with respect to simplification of the PAI structure; the composition of the market basket; methods for obtaining expenditures weights and the treatment of rent data form external sources; domestic services costs and dollar-driven expenditures in PAI calculations. ICSC also considered recommendations relating to the introduction of the Euro and the role of exchange rates in compensation comparisons.

ICSC noted that a great deal of preparation and forward planning for launching the next round of surveys at headquarters duty stations and Washington D.C. was needed to ensure accurate results. Members expressed appreciation for the work done so far by ACPAQ especially with respect to the simplification of the PAI structure. The proposed revision of the index structure and list of items would allow for greater collaboration between the ICSC secretariat, Eurostat and IOS in the area of cost-of-living measurements.

ICSC noted the use of national CPIs to update place-to-place surveys on a time-to-time basis. Some members raised questions about the quality and the coverage with respect to the reference population of these national CPIs. They were informed that, prior to the application of any particular CPI series for updating the PAI in a duty station, the secretariat would evaluate that CPI in terms of its basket characteristics, the reference population covered (income level) and the underlying methodology, in order to determine its relevance for post adjustment purposes. Furthermore, national CPIs were always re-weighted at the expenditure group level on the basis of United Nations common system expenditure weights to reflect the expenditure patterns of staff. For validation purposes, especially in situations of significant devaluation or high inflation, the secretariat obtained price data from outside sources.

ICSC also re-examined the rules governing the use of exchange rates in the post adjustment system and for dealing with situations of high inflation, and was satisfied the existing mechanisms were sound.

While endorsing ACPAQ's recommendations to simplify questionnaires for use in the household expenditure and housing surveys, ICSC was of view that consideration should be given to the use of organizations' Intranet facilities for communicating with staff, publicizing the surveys and completing and returning the questionnaires.

With regards to the question of the introduction of aged rents in the middle of the current round of place-to-place surveys for time-to-time updating of the PAIs of certain duty stations, ICSC noted that the secretariat was adhering to a previous ICSC decision which had been taken on the recommendation of ACPAQ itself. It was further pointed out that the general principle for rent comparisons was based on the use of aged rents.

ICSC decided:

a) To take note of the recommendations of ACPAQ relating to the selection of items and items specifications; selection of outlets; simplification of cost-of-living index structure; establishment of expenditure weights; treatment of United States dollar-driven expenditures; use of external data for group I duty stations; introduction of Euro; special measures for devaluation and issues of transparency, as contained in documents ICSC/ACPAQ/22/R.4 and ICSC/ACPAQ/22/R.11.

b) To approve ACPAQs' recommendations with respect of the following:

Domestic service

i) Price comparisons concerning domestic service wages should be eliminated in PAI calculations at field duty stations beginning in the next round of place-to-place surveys;

ii) Domestic help costs (maid/cook) and net costs for security (guard/watchman) should continue to be included in housing costs at field duty stations, without the restriction that 70 per cent of staff be required to report;

iii) In the case of group I duty stations, the secretariat should study the extent of the availability of market data on wage rates for domestic services;

External data

i) IOS rent data should continue to be used, taking into account the need for monitoring and improvement;

ii) The IOS/Eurostat occupancy length-weights should be prorated when the four-year threshold for the use of aged rents in time-to-time calculations was reached, as was consistent with the usual practice for dealing with missing data.

Proposed agenda for the twenty-third session of ACPAQ. ICSC considered document ICSC/49/R.5 and noted the proposed agenda for the twenty-third session of ACPAQ which focused on the continuing review of the post adjustment methodology and necessary preparations for the next round of surveys, planned to begin 2000. Methodological issues covered further simplification of the PAI structure, procedures for the selection of outlets, establishment of expenditure weights, collection of prices, use of external data for rent index calculations and separation of housing from post adjustment at small field duty stations. ICSC approved the agenda for the 23rd ACPAQ session with the exception of separation of housing from post adjustment at selected small field duty stations. This topic had been considered under a separate agenda.

2000 **51st Session (April)**: ICSC considered document ICSC/51/R.5, which contained the ACPAQ report on its 23rd session. The Report included recommendations for: a new index structure to be used in the new round of surveys commencing in 2000 for both Group I and Group II duty stations, the continued application of the Group II duty station methodology for treating durable goods as dollar driven expenditures and the minimum out of area band of 30%, the maintenance of the current methodology using external data for rent index calculations, the methodology for sampling household expenditure surveys and use of external data for weights, the design of housing questionnaires, procedures and guidelines for price collection in Headquarter duty stations, the retention of the methodology for selecting survey outlets, and the schedule of surveys for Headquarter duty stations.

ICSC noted and approved all recommendations made in ICSC/51/R.5.

ICSC approved a new index structure having 151 elements and 3 structure levels harmonized with the new international standard classification of individual consumption by purpose (COICOP). The full description of the new index is found in Annex III to ICSC/ACPAQ/23/R.9. The structure and methodology for treating housing index is found in Annex IV to ICSC/ACPAQ/23/R.9. Harmonized indices of consumer prices (HICPs) should be used to update post adjustment indices (PAIs) for those duty stations for which such indices are, or become available.

ICSC decided in the matter of treatment of dollar driven expenditures that the current methodology for Group II duty stations should continue whereby durable goods would be excluded from price collection. Furthermore, the minimum out-of-area band would remain at 30 per cent for Group II duty

stations although the secretariat would be required to monitor availability of durable goods at such duty stations.

ICSC noted that external data and weighting structures for length of occupancy, dwelling type and size would continue to be used to calculate the rent index although ACPAQ could study the matter anew following results of the surveys in Headquarter duty stations.

ICSC approved the methodology for determining expenditure weights whereby a questionnaire would be administered to a sufficiently large sample of staff so as to be below a 1.5% margin of error and that, in the event the survey did not provide reliable data, EUROSTAT average weights at the group, sub-group and basic heading level would be used.

ICSC approved the redesign of a streamlined housing questionnaire, which would be tested in advance of the year 2000 surveys.

ICSC approved the procedures and guidelines as contained in Annex V to ICSC/ACPAQ/23/R.9 to be followed in price collection at Headquarter duty stations in the 2000 round of surveys.

ICSC agreed that the ICSC Chairman should continue to approve lists of outlets.

ICSC took note of the timetable for the proposed surveys of Headquarter duty stations as found in Annex VII of ICSC/ACPAQ/23/R.9

52nd session (July): ICSC approved the proposed agenda for the 24th session of ACPAQ contained in document ICSC/52/R.3.

2001 **53rd Session (June)**: ICSC considered the report of ACPAQ on the work of its 24th session held in New York from 12 - 20 March 2001 (ICSC/53/R.11). The report dealt with: (a) the approved cost-of-living survey methodology used in the 2000 round of place-to-place cost-of-living comparisons between New York and six other headquarters duty stations, Berne and Washington D.C.; (b) ACPAQ's recommendations on the survey results in Berne, Geneva, London, Montreal, Paris, Rome, Vienna and Washington D.C.; and (c) recommendations by ACPAQ on aspects of the approved methodology that should be applied in field duty station surveys.

On the distribution of outlets surveyed in the base city (New York) as well as headquarters duty stations, ICSC noted that the base city distribution of outlets was similar to the distribution of staff residences in and around New York. ICSC considered and noted the results of a study that ACC had commissioned to review the selection of outlets in New York and those of other duty stations *[ICSC/53/R.14, para. 86]*.

Regarding the incidence of sale prices and quality of outlets surveyed, ICSC noted that most New York prices had been collected before summer sales in June and that prices for winter items had been collected in September. Therefore, only about 10 per cent of prices represented sale prices, which is in accordance with methodology *[ICSC/53/R.14, para. 87]*.

ICSC agreed with the conclusion of ACPAQ that, for the time being, the applications of the Geneva post adjustment to Berne should be continued. It however, endorsed the ACPAQ recommendation to continue to collect external rent data in Berne *[ICSC/53/R.14, para. 88]*.

ICSC raised questions relating to the scope of increases recommended by ACPAQ and their financial implications for the UN common system. ICSC wished to receive assurances that the organizations had

sufficient resources to meet the proposed salary obligations. The ACC representative indicated that all agencies would handle such increases in accordance with their budgetary procedures and that many agencies had already informed their governing bodies of the increases and confirmed that funds were available to implement the recommendations upon approval by ICSC *[ICSC/53/R.14, para. 89]*.

Place-to-Place survey methodology. ICSC decided to: (a) note that the secretariat had carried out the place-to-place surveys and had analyzed the survey data in accordance with the approved methodology; (b) note the amendment of seven item specifications recommended by ACPAQ; (c) endorse the new set of common weights as derived from staff household expenditure questionnaires; (d) endorse the continued use of housing index weights given by length of occupancy dwelling type and size, as previously provided by the Inter-Organization Section at the Organization for Economic Cooperation and Development (OECD); (e) note that the price collection in June and September 2000 in New York and the survey of housing and domestic service costs in September in New York had been properly carried out and that the data provided a sound basis for place-to-place cost of living comparisons with other duty stations; (f) endorse ACPAQ's recommendations for the treatment of survey data for headquarters duty stations and Washington D.C.; (g) endorse ACPAQ's recommendations to continue the application of the Geneva post adjustment index to Berne; (h) take note of ACPAQ's recommendations regarding survey questionnaires and item matching practices to be utilized for field duty station surveys; and (i) endorse ACPAQ's recommendation to collect prices of durable goods and use the actual distribution of staff by housing type to calculate the housing index for field duty stations.

Results of cost-of-living surveys. The ICSC decided: (a) to approve results of the 2000 place-to-place surveys for Geneva, London, Montreal, Paris, Rome, Vienna and Washington D.C.; and (b) the 2000 survey results for Geneva, London, Montreal, Paris, Rome, Vienna and Washington D.C. should be taken into account in the determination of their respective post adjustment classifications as of 1 July 2001. The results of 2000 place-to-place surveys in Geneva, London, Montreal, Paris, Rome, Vienna and Washington D.C. are summarized in the following table:

Duty Station	*Date of survey (2000)*	*Exchange rate*	*Existing PAI**	*Existing multiplier*	*Walsh index*	*New PAI**	*PAI* change (%)*	*Classification change (%)*
Geneva	**September**	1.74	122.4	24.2	88.17	129.03	5.6	3.9
London	**September**	0.69	130.12	27.6	93.22	136.43	4.9	6.9
Montreal	**September**	1.48	108.01	7.6	81.45	119.20	10.4	10.8
Paris	**September**	7.35328	109.7	9.0	80.54	117.88	7.5	8.1
Rome	**October**	2186.05	97.8	0.0	76.63	112.15	14.7	12.1
Vienna	**October**	15.5354	108.37	7.4	80.42	117.85	8.7	9.7
Washington D.C.	**October**	1.00	118.07	16.8	86.48	126.57	7.2	8.4

ICSC detailed consideration of the surveys is contained in ICSC/53/R.14, paras. 69 - 95.

2002 **55th Session (July/August):** ICSC approved the proposed agenda for the 25th session of ACPAQ contained in ICSC/55/R.14.

2003 **56th Session (March/April):** ICSC considered document *ICSC/56/R.6*, which contained the ACPAQ report on its 25th session. The Report included recommendations in respect of:

(a) the review of the list of items and specifications to be used in the next round of surveys;

(b) use of duty station-specific housing-type weights; (c) alternative sources of price data; (d) seasonal adjustment of price data; (e) duty station-specific weights for the education component; (f) the transparency of data processing; (g) cost-of-living manuals; (h) rules and procedures for reviewing the post adjustment classification and rental subsidy thresholds; (i) the new computerized system for processing cost-of-living data; and (j) other business covering external housing data, the London congestion charge and the next ACPAQ meeting.

Upon review of the recommendations, Commission members expressed doubts about the feasibility of including the London congestion charge as a separate item in the calculation of the post adjustment index on the grounds that the charge was no different than bridge/tunnel or highway tolls paid by staff at the base of the system. The Commission noted that conceptually the congestion charge was captured under "transportation costs" and that therefore there was no need for a special treatment of the item

The Commission decided to endorse the recommendations of the Advisory Committee as contained in the report on its 25th session. The Commission also agreed that the Committee should hold its next meeting in 2004 prior to the next round of headquarters duty station place-to-place surveys.

57th Session (July): The Commission approved the proposed agenda for the 26th session of ACPAQ contained in annex III of document ICSC/57/R.13.

2004 **58th Session (Mar/April):** The Commission considered document *ICSC/58/R.6*, which contained the ACPAQ report on its 26th session. The Report included recommendations in respect of: (a) the review of the list of items and specifications to be used in the next round of place-to-place surveys; (b) use of the Internet as a source of price data; (c) the use of duty station-specific weights for the education component of the post adjustment index; (d) procedures for reducing possible bias and strengthening quality control in price data collection; (e) rules and procedures for reviewing rental subsidy thresholds; (f) other business, covering the use of external housing data for rent index calculations, and the Commission's ongoing review of the pay and benefits system, including implications of the expansion of the European Union on the operation of the post adjustment system.

The Commission reviewed in detail the recommendations of the Advisory Committee. On the issue of minimizing potential bias associated with price data collection, members expressed the view that the role of the secretariat in the initial development of the list of outlets should be strengthened. The Commission also noted that the updated guidelines and procedures aimed at minimizing potential bias would be developed by the secretariat and submitted for review by the Advisory Committee and for approval by the Commission in 2005.

The Commission decided to endorse the recommendations of the Advisory Committee as contained in its report on its twenty-sixth session. The Commission also agreed that in preparation for the next round of headquarters duty stations surveys, the Committee should hold its next meeting early in 2005.

59th Session (July): The Commission approved the agenda proposed for the twenty-seventh session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex V to document ICSC/59/R18.

2005 **60th Session (Feb/Mar):** The Commission considered the report of ACPAQ on its 27th session (ICSC/60/R.8) which dealt with a range of technical questions related to the 2005 round of headquarters place-to-place surveys. A number of recommendations were submitted in respect of: (a) the updated list of items and specifications to be used in the next round of place-to-place surveys; (b) procedures for establishing new common expenditure weights; (c) the use of external data in the calculation of the rental index; (d) procedures and guidelines for price data collection at headquarters

duty stations; (e) the schedule for place-to-place surveys at headquarters duty stations; and (f) revisions to all data collection forms as well as to the survey results report.

The Commission reviewed the ACPAQ report and sought clarifications on several aspects of the recommendations of the Advisory Committee. Regarding the issue of collecting prices for organic/biological products, Commission members expressed the view that these should not be mixed together with regular products but compared separately. The Commission welcomed the secretariat's intention to use tablet computers for price collection and electronic questionnaires together with traditional methods of data collection from staff, the revised price collection forms and the new survey report template developed by the secretariat.

The Commission decided to endorse the recommendations of the Advisory Committee as contained in its report. The Commission also agreed that the Committee should hold its next meeting early in 2006 to review results of the place-to-place surveys at headquarters duty stations and submit recommendations to it at its 2006 spring session.

61st Session (July): The Commission approved the agenda proposed for the twenty-eighth session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex II to document ICSC/61/R18.

The Commission noted the importance of the review of the place-to-place surveys at headquarters duty stations. Members were informed that final recommendations from the twenty-eighth session of the Advisory Committee, in particular recommendations regarding the final post adjustment classification of headquarters duty stations, would be presented for the Commission's approval in 2006.

2006 **62nd Session (Mar):** The Commission considered the report of the Advisory Committee on Post Adjustment Questions (ACPAQ) on the work of its twenty-eighth session, held in New York from 30 January to 6 February 2006 (ICSC/62/R.4). The report dealt with: (a) The approved cost-of-living survey methodology applied in the 2005 round of place-to-place cost-of-living comparisons between New York and the seven other headquarters duty stations and Washington, D.C.; (b) The Advisory Committee's recommendations on the results of the surveys conducted at Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C.; (c) Recommendations by the Advisory Committee on aspects of the approved methodology that should be applied to surveys conducted in field duty stations.

Methodological issues pertaining to the cost-of-living surveys

In considering the report of the Advisory Committee, the Commission requested a number of clarifications in respect of not only the methodology underlying the surveys, but also the actual data collected. The secretariat mentioned that the response rate in the housing and domestic service costs survey was much higher than that in the household expenditure survey. Furthermore, the overall staff participation rate in the 2005 round of surveys was better than that in the 2000 round. Housing and domestic service costs data from staff provided a reliable base for post adjustment index calculations. A detailed explanation was provided on the averaging procedure used for the calculation of food item relativities, where both regular and organic products were collected.

In connection with the modifications of the 2000 methodology tested in 2005, the secretariat informed the Commission that most of the modifications in the guidelines and procedures in the conduct of the surveys had been designed to strengthen the role of the ICSC secretariat in the initial development of the list of outlets, to minimize the possibility of bias and, in general, to improve quality control in the data-collection process. In particular, the criteria for the selection of outlets to be used for price data

collection had been broadened to include not only outlets that international staff members actually patronized, but also outlets that they were likely to patronize. The criteria for the substitution of outlets had been tightened and price collectors had the mandate to collect prices on any items in an outlet that met the approved specifications, not just those items that had been originally associated with the outlet. It was thought that this new approach would optimize the price data-collection coverage of an outlet, which in turn would increase the chances of obtaining the overall desired number of price quotations. The pricing forms had been updated to cover the approved list of items and also to include pictures of the items.

With respect to the treatment of homeowners when processing housing data, the secretariat pointed out that the cost-of-living measurement methodology assumed the homeowner's expenditure to be the same as the average renter's for a dwelling of the same size.

Concerning the statement made by the Vienna-based organizations on the Betriebskosten issue, the Commission noted that the Advisory Committee had carefully studied the claim and was of the view that the issues raised in the Vienna survey pertained to problems with data, not methodology. It was recalled that the methodology to be used for the round of surveys had been approved and could not be unilaterally changed. The Commission believed that the issues regarding the other housing costs in Vienna had been addressed by the secretariat in the 2005 survey for Vienna. However, the Committee had suggested that the issue of other housing costs in connection with external rent data should be reviewed before the next round of surveys, and that Betriebskosten should be a matter of specific consideration for Vienna in the future. The secretariat provided detailed explanations on calculation procedures used in aggregation of the housing index for Vienna, proving that all the components of housing costs had been properly taken into account.

Rental data used in the calculation of the rental index is based on external rent data (from the Inter-Organizations Section of OECD and the Statistical Office of the European Communities (Eurostat)). The Executive Secretary of ICSC (former Chief of the Inter-Organizations Section of OECD) confirmed that for Vienna, the 10 per cent tax paid by all tenants and the 1 per cent one-time rent registration fee had been included in the data collected by the Inter-Organizations Section. He also quoted the methodology guidelines developed by Eurostat in cooperation with the national statistical agencies of European Union countries, which clearly define "rent of the accommodation" as "pure rent". OECD and Eurostat followed the same data collection methodology in Vienna, New York and other duty stations. Adding the Betriebskosten component to the rent would destroy the comparability of rental data and introduce double counting since "running costs" were already represented by other components of the housing index.

The Commission agreed with the explanations provided and the Advisory Committee recommendation in respect of Betriebskosten.

The Commission raised questions relating to the treatment of education fees for the Lycée international de Saint Germain-en-Laye, a school where the only component of the tuition fees paid was for six hours of tuition, while the rest of the tuition was free. The secretariat responded that the fee provided was prorated to the level of full-time tuition, as recommended by the Committee.

The Commission investigated the reasons for revising the weight for heating in the calculation of the cost-of-living index for Montreal. The secretariat explained that some staff members in Montreal had failed to report heating costs, indicating at the same time that such costs were not included in the rent. In order to correct the data that was misreported, it was proposed to use the average reported heating

cost in place of the missing data. The proposal was accepted by the administration of the International Civil Aviation Organization (ICAO) and was approved by the Commission.

At the conclusion of the discussion, the Commission observed that the place-to-place survey result for Washington, D.C. also determined the cost-of-living difference between New York and Washington, D.C. and could be used in the United Nations/United States of America margin calculations. It noted that the methodology for conducting the cost-of-living surveys for post adjustment purposes had always been reviewed and updated before each round of place-to-place surveys, with the advice and assistance of the Advisory Committee. However, the Commission had never reviewed the methodology for calculating the cost-of-living difference between New York and Washington, D.C. as reflected in the margin calculation since the methodology was first implemented in the early 1990s. It also observed that the two methodologies could produce different results. It further noted that the calculation of the cost-of-living difference between New York and Washington, D.C. for purposes of calculating the margin had been carried out by a consultant, though the same measurement could be conducted by its secretariat using the same methodology as that for the purposes of the post adjustment. It requested the Advisory Committee to review the two methodologies at its next session and to advise the Commission as to whether the methodology for calculating the cost-of-living differential for purposes of post adjustment could also be applied for margin calculations.

Decisions of the Commission

Place-to-place surveys

The Commission decided:

(a) To take note of the prices collected in New York and determined that the collection and processing of price data, as well as the analysis of the external rent data, and the development of the weighting structures had been carried out according to the approved methodology;
(b) To note that the secretariat had carried out the place-to-place surveys for Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C., and had analysed the survey data in accordance with the approved methodology;
(c) To endorse modifications recommended by the Advisory Committee in respect of eight items;
(d) To note that the New York survey data will be used as a base for cost-of-living comparisons for both Group I and Group II duty stations;
(e) To take note of the Advisory Committee's recommendation regarding the modification to the housing index structure;
(f) To endorse the new common weights for the 2005 round of surveys obtained by updating the weights from the 2000 round;
(g) To endorse the Advisory Committee's recommendations for the treatment of survey data for Rome, Paris, Montreal and London;
(h) To take note of the methodology to be used for data collection and processing at field duty stations;
(i) To approve the proposed modifications to the questionnaires to be used for the cost-of-living surveys at field duty stations.

Results of cost-of-living surveys

The Commission considered the results of the cost-of-living surveys conducted in 2005 at the seven headquarters duty stations and Washington, D.C., summarized in the table below.

The table shows the post adjustment indexes as of the month when the place-to-place surveys were conducted, as well as the post adjustment indexes resulting from the updating of the 2000 survey results.

The Commission decided:

(a) To approve the results of the 2005 place-to-place surveys for Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C., as recommended by the Advisory Committee, which are set out in the table below;
(b) That the 2005 survey results for Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C. should be taken into account in determining their respective post adjustment classification as from 1 April 2006;
(c) To request that ACPAQ advise the Commission on the validity of using the cost-of-living differential between New York and Washington, D.C. established for purposes of post adjustment in the margin calculations and that the item be placed on the agenda of the next session of ACPAQ.

Summary of the results of the 2005 cost-of-living comparisons between New York and Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C., as of the survey date

Duty station	*Month of survey (2005)*	*Exchange rate*	*Existing PAI**	*Existing multiplier*	*New PAI*	*PAI change (percentage)*	*Classification change (percentage)*
Geneva	**September**	1.27	162.69	63.5	165.38	1.66	1.15
London	**September**	0.56	155.02	52.3	165.71	6.89	8.8
Madrid**	**September**	0.82	144.13	39.7	141.89	-1.55	1.57
Montreal	**September**	1.20	144.87	43.3	145.06	0.13	1.23
Paris	**September**	0.820	150.84	46.1	154.77	2.6	5.93
Rome	**October**	0.832	147.23	46.1	149.23	1.36	2.14
Vienna	**October**	0.832	146.80	42.4	148.46	1.13	4.25
Washington, D.C.	**September**	1	142.21	38.3	146.75	3.19	6.11

*** PAI — post adjustment index.**

**** The reduction in PAI does not result in the reduction in take-home pay for Madrid.**

63rd Session (July): The Commission approved the agenda proposed for the twenty-ninth session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex II to document ICSC/63/R17.

2007 **64th Session (Mar):** The Commission considered the report of ACPAQ on its 29th session (ICSC/64/R.5) which dealt with a range of technical questions pertaining to the next round of place-to-place surveys. A number of recommendations were submitted in respect of: (a) the simplification of the post adjustment index structure by reducing the number of basic headings; and (b) the application of hedonic regression techniques to the estimation of price relativities for some high-technology products. The Committee also reviewed some simplifications of the approved methodology that it adopted earlier, in particular, the calculation of the two elements of the out-of-area component: the out-

of-area weight and the out-of-area index. At the request of the Commission, the Committee also reviewed the methodology for estimation of the cost-of-living differential between New York and Washington, D.C., as well as the formulas used to derive financial implications of recommendations and decisions of the Commission. While these issues are not directly related to the post adjustment system and thus fell beyond the usual scope of the Committee's work, it was hoped that the Committee's general technical expertise would help the Commission make informed decisions about the issues at hand.

The Commission decided:

(a) To endorse the recommendations of the Advisory Committee in respect of the proposed simplifications of the post adjustment index structure;
(b) To request the secretariat to conduct an out-of-area survey to determine the out-of-area index and information on Internet purchases;
(c) To authorize the secretariat to negotiate with Runzheimer International specific proposals to improve the transparency and readability of its biennial report, but postpone any methodological modifications to 2010;
(d) To approve the Advisory Committee's recommendation to use the cost estimation models developed by the secretariat to estimate the financial implications of changes in both the base scale for staff in the Professional and higher categories, and in the mobility and hardship scheme (see annexes I and II of ICSC/64/CRP.4/Add.3);
(e) To request the secretariat to develop a model to estimate financial implications of the education grant and present it at its sixty-sixth session.

65th Session (July): The Commission approved the agenda proposed for the thirtieth session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex II to document ICSC/65/R.15.

2008 **66th Session (Mar-April):** (This is pre-emptive) The Commission considered the report of the Advisory Committee on Post Adjustment Questions (ACPAQ) on the work of its thirtieth session, held in New York from 28 January to 5 February 2008 (ICSC/66/R.5).

2009 **68th Session (Mar-Apr):** The Commission considered the report of the Advisory Committee on Post Adjustment Questions (ACPAQ) on the work of its thirty-first session, held in Vienna from 26 January to 2 February 2009 (ICSC/68/R.9). The document contained a number of recommendations covering a wide range of methodological issues pertaining to the next round of cost-of-living surveys, scheduled to take place in 2010, as well as some other issues. The recommendations deal with: (a) The review of the list of items and specifications to be used in the next round of place-to-place surveys; (b) The modus operandi for implementing the new approach to cost-of-living measurement based on real-time price comparisons with New York; (c) The redesign of survey questionnaires; (d) Procedures and guidelines for data collection at headquarters duty stations; (e) The effects of local currency fluctuations on staff remuneration in field duty stations; (f) The testing of strategies for improving staff participation in cost-of-living surveys; (g) The review of the structure of the 2008 report of the data provider's study of the cost-of-living differential between Washington, D.C., and New York, which is an integral part of the margin calculations; (h) Other business covering, inter alia, an information packet prepared by the ICSC secretariat containing explanatory notes on the post adjustment system for human resources managers; and a note from IAEA on the evolution of net take home pay for Professional staff in European duty stations in the Euro zone.

Regarding the methodological issues, the Commission noted that the list of items and specifications to be used in the 2010 round of surveys, as well as procedures and guidelines for data collection, were still provisional and subject to finalization by ACPAQ and endorsement by the Commission before the

launch of the surveys. The Commission requested its secretariat to continue to conduct the required research and present its findings for review and final recommendations by ACPAQ at its next session, its final session before the launch of the 2010 round of surveys.

Regarding the revised survey questionnaires, the Commission pointed out that ensuring confidentiality would increase response rates, but that the redesign of the survey questionnaires needed to balance the user-friendliness required for higher response rates and the complexity that was often necessary for the accuracy of responses obtained from staff. In that connection, the Commission noted the strategies developed by the secretariat in collaboration with organizations and staff federations to improve staff participation in cost-of-living surveys.

On the issue of the treatment of maintenance/running costs for housing in Vienna (Betriebskosten), the Commission recalled its decision at its sixty-second session, noting that adding Betriebskosten to rents, as desired by Vienna-based organizations and staff federations, would destroy the comparability of rental data and introduce double counting, since such costs were already represented by other components of the housing index.

The Commission also considered ACPAQ recommendations regarding the issue of the effects of local currency fluctuations on staff remuneration in field duty stations. The Commission reiterated its view expressed at its last session that the existing operational rules for the review of post adjustment classifications for field duty stations adequately addressed the fluctuation of local currencies relative to the United States dollar, adding that no further studies on that issue were needed or warranted.

The Commission also discussed the terms of the cooperation among the Commission, the Statistical Office of the European Communities (EUROSTAT) and the Inter-Organizations Section (IOS) of the Organization for Economic Cooperation and Development (OECD) in the field of cost-of-living measurement. Several Commission members expressed concern over the nature of the cooperation. Even though they approved of the ICSC secretariat's ongoing cooperation with these organizations in the area of exchange of statistical information, they reiterated their long-standing view that these organizations should not be treated as comparators. The secretariat clarified that the proposal was for nothing more than a further strengthening of the long-standing cooperation between the secretariat and these organizations in the field of the measurement of the cost of living, citing, as an example, the use of rent data collected by IOS in the calculation of the housing index for Group I duty stations. It also confirmed that the recommendation of ACPAQ was to limit the scope of the cooperation to the Commission secretariat's use of EUROSTAT and IOS price data only for purposes of validation and verification, as well as for imputing item prices missing from the secretariat's database.

The Commission considered the issue raised by the representative of IAEA expressing concerns with regard to what, in his view, were recent relatively low increases in net take-home pay for Professional staff compared with inflation, particularly in the euro zone in Europe. The representative of CCISUA acknowledged that there were still differences of opinion between the ICSC secretariat on one side and the Administrations and staff federations' representatives on the other, adding that it might be necessary to look also at the comparator of the United Nations compensation system. At the same time, he welcomed the recommendation of ACPAQ for the secretariat to continue to work with concerned United Nations organizations and staff federations on the issues surrounding the evolution of the net take-home pay of United Nations Professional staff in the euro zone in Europe. Staff federations' representatives suggested that a possible reason for the discrepancy between the Commission's actual net take-home pay calculations and that calculated by IAEA using the OECD purchasing power parity indices for individual consumption might be the expenditure weights used in the current survey round, which were derived by updating weights generated by cost-of-living surveys from the previous round. The secretariat provided a detailed explanation of the methodology underlying the calculation and

updating of the post adjustment classifications over time, as well as an analysis of the factors that influenced the evolution of net take-home pay for Professional staff serving in Group I duty stations, including those in the Euro zone.

The Commission decided: (a) to request that suggestions and proposals from organizations and staff federations concerning the list of items and their specifications, to be used in the 2010 round of surveys, be submitted to the secretariat no later than the end of July 2009; (b) to request its secretariat to finalize the list of items and specifications, as well as procedures and guidelines governing data collection in the 2010 round of surveys, and present them for review and final recommendations by the Committee at its next session; (c) to approve the Committee's recommendations regarding the modus operandi for the new approach to cost-of-living measurement based on real-time price comparisons with New York, for use in the 2010 round of cost-of-living surveys, including the recommendation that the prices of items, subject to the new approach, be collected via the Internet; (d) to request its secretariat to continue to develop and enhance strategies to improve staff participation in future cost-o f-living surveys; (e) that no further investigation of the issues pertaining to Betriebskosten (maintenance/running costs for Vienna) and the effects of currency fluctuations on the remuneration of staff serving in field duty stations was warranted; (f) to approve the Committee's recommendation limiting the scope of the cooperation between its secretariat and Eurostat and the Inter-Organizations Section of OECD to the exchange of statistical information; (g) to approve the Committee's recommendation that organizations and staff federations submit their recommendations regarding the structure and contents of ICSC the information packet of explanatory notes on the post adjustment system for human resources managers in writing by the end of July 2009; (h) to agree with the Committee's conclusion that the approved methodology for calculating and updating post adjustment classifications was being applied correctly and consistently for all duty stations; (i) to request its secretariat to study the effects of modifications to the post adjustment classification with a view to aligning the review of the post adjustment classifications of all duty stations to that of New York, and present its findings for review and a final recommendation by the Committee at its next session; (j) to request its secretariat to study the impact of shortening survey rounds for Group I duty stations, with due consideration to the costs and benefits, and present its findings for review and a final recommendation by the Committee at its next session.

69th Session (Jun-July): The Commission approved the agenda proposed for the thirty-second session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex II to document ICSC/69/R.13.

2010 **70th Session (Feb-Mar):** The Commission considered the report of the Advisory Committee on Post Adjustment Questions (ACPAQ) on the work of its thirty-second session, held in New York from 25 January to 1 February 2010 (ICSC/70/R.9). The report contained the Advisory Committee's main conclusions and recommendations on methodological issues pertaining to the 2010 round of cost-of-living surveys, including the list of items and specifications; revised data-collection forms; procedures for establishing new common weights; procedures and guidelines for data collection at headquarters duty stations and Washington, D. C.; and the results of further testing of both the approach to cost-of-living measurement based on real-time price comparisons with New York and the new basket of countries used in the calculation of the out-of-area index. Also presented were recommendations regarding possible modifications to the post adjustment classification review cycles for group I duty stations and the shortening of the duration of survey rounds.

The Commission inquired whether price data could be obtained from other sources in regards to the list of items and specifications to be used in the 2010 round of surveys. The secretariat clarified that neither the list of items nor specifications were likely to be uniform across agencies involved in cost-of-living measurement, which would make it difficult to make the like-to-like comparisons required by

the approved methodology. Furthermore, cost-of-living comparisons by different agencies produced different results because they were invariably based on different methodologies and used different baskets of goods and services. However, under the current guidelines approved by the Commission, the secretariat could use prices from the Eurostat database, whenever appropriate, to impute for prices missing in its own database.

The Commission noted the Advisory Committee's view that the revised data-collection forms represented a significant improvement relative to those used in the current round, in particular, the fact that the expenditures survey questionnaires were shorter, simpler and more user-friendly. It also noted the Committee's recommendations regarding the results of further testing of two enhancements to the cost-of-living measurement methodology that it had already approved for application in the 2010 round of surveys, namely, the approach to cost-of-living measurement based on real-time price comparisons with New York and the new basket of countries used in the calculation of the out-of-area index. The Commission also took note of the schedule of baseline surveys at headquarters duty stations and Washington, D. C., as well as the proposed modifications to the guidelines and procedures for data collection at those duty stations, designed to incorporate the use of the Internet as a source of price data and the expansion of price data collection to include organic/biological brands of all food-and-beverage items.

The Commission stressed the importance of high staff participation in the baseline surveys, as those surveys provided the expenditure weights that would be used in the post adjustment index calculations for the 2010 round, in discussing the proposed procedures for the establishment of common weights for the 2010 round of cost-of-living surveys. Such participation was critical in the light of the fact that the updating of weights from prior rounds was no longer an option. Some Commission members fully supported the provision of non-monetary incentives that would encourage staff to participate in the survey. They cited examples of the use of monetary incentives in national household surveys, adding that the use of incentives must be accompanied by a vigorous marketing or publicity campaign to encourage staff participation. Other Commission members expressed concern about the precedent that incentives would set for staff participation in future surveys, as well as scepticism about the efficacy of incentives in improving response rates to surveys. They suggested that external data be used in the derivation of the common weights, instead of staff responses to the household expenditures survey. Representatives of organizations and staff federations reiterated their previously expressed view that the non-monetary incentives would lead to higher staff participation in surveys.

The Commission requested the secretariat to continue its study of the feasibility of modifying the post adjustment index calculation for group I duty stations by using price data for New York that were updated on an ongoing basis, using consumer price index data published by the United States Bureau of Labor Statistics, in regards to the proposed modifications of the operational rules governing the post adjustment system. With regard to the synchronization of the post adjustment classification review cycles of all group I duty stations with that of New York, there was no unanimity among Commissioners regarding the two options presented by the secretariat. Some Commission members believed that the proposed modifications would simplify the post adjustment classification review process and help eliminate the perception of inequitable treatment in the post adjustment classifications of group I duty stations. Other Commission members, however, felt that in an era of considerable unpredictability with respect to the economic conditions of even group I countries, it was important for the post adjustment classification reviews to take into consideration the specific economic circumstances of duty stations, as was provided by the existing review process.

The Commission decided: (a) to approve the revised list of items together with their specifications, subject to further minor revisions prior to its finalization before the launch of the 2010 round of surveys; (b) to approve the continued use by the secretariat of the existing method for averaging price

ratios of regular and organic/biological brands of food and beverage items for the 2010 round of surveys and to conduct experiments during the 2010 round aimed at testing the impact on the calculated post adjustment indices of treating organic/biological products as separate items; (c) to take note of the Advisory Committee's recommendations regarding the revised data-collection forms to be used in the 2010 round of surveys; (d) that the secretariat should conduct censuses of expenditures for all baseline surveys at headquarters duty stations and Washington, D.C., and use the data collected for the derivation of common weights, on the basis of the guidelines provided by the Advisory Committee; (e) that the secretariat should continue to explore further the feasibility of using Eurostat/Interorganization Section (Organization for Economic Cooperation and Development) Family Budget Survey results as a source of external data for the derivation of common weights; (f) that the contingency plans proposed in the event of insufficient response rates were adequate and that, whenever available and feasible for use, anonymized micro data sets from the Eurostat/Interorganization Section Family Budget Surveys should be used as a preferred source of external data. Otherwise, weights of relevant national consumer price indices should be used; (g) to call for the active cooperation of organizations and staff federations through the formation of local survey committees responsible for the coordination of all activities designed for the successful conduct of the surveys, in collaboration with the secretariat; (h) to call on organizations to facilitate the completion of the expenditures surveys questionnaires by their staff members; (i) to approve the proposed procedures and guidelines for data collection for the baseline place-to-place surveys at headquarters duty stations, as recommended by the Advisory Committee; (j) to note the results of further testing of both the new approach to cost-of living measurement based on real-time comparisons with New York and the new basket of countries used in the calculation of the out-of-area index; (k) that the post adjustment classification review cycles of group I duty stations and the five-year duration of survey rounds should remain unchanged; (l) to request the secretariat to continue its study of the possible modifications to the calculation of the post adjustment index based on New York prices that were updated on a regular basis, using the relevant consumer price index disaggregated series published by the Bureau of Labor Statistics; (m) to request the secretariat to review the post adjustment classification of Geneva in view of Switzerland's recent entry into the Schengen area; (n) to approve the schedule of the 2010 place-to-place surveys, as recommended by the Advisory Committee.

71st Session (July-August): The Commission approved the agenda proposed for the thirty-third session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex III to document ICSC/71/R.18.

2011 **72nd Session (Mar-Apr):** The Commission considered the report of the Advisory Committee on Post Adjustment Questions (ACPAQ) on the work of its thirty-third session, held in New York from 24 to 31 January 2011 (ICSC/72/R.6). The report dealt with (a) the cost-of-living survey methodology applied in the 2010 round of place-to-place cost-of-living comparisons between New York and the seven other headquarters duty stations and Washington D.C. ; (b) the Advisory Committee's recommendations on the results of the surveys conducted at Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington D. C. (c) the Advisory Committee's evaluation of the statistical validity of a report on the establishment of grade equivalencies between the United States federal civil service and the United Nations.

Issues pertaining to the cost-of-living surveys

The Commission agreed with the representative of the Human Resources Network that the extremely high response rates were unprecedented in the history of cost-of-living surveys at headquarters duty stations and that the results of the surveys could therefore be considered reliable. Organizations, staff federations and the secretariat were commended for having contributed to this outcome. It was pointed

out that the high levels of staff participation needed to be maintained and that the secretariat would need to continue its outreach programme to staff and organizations.

The Commission noted that the share of unused price data, especially for Paris, amounted to about 20 per cent. It felt that, even though the issue was not of great concern, given the large number of useable price quotations obtained for all designated duty stations and the efforts made to collect data, ways should be found to minimize the share of unused data. The secretariat explained that exercising some flexibility in selecting items for price data collection during field operations was part of its strategy to achieve the required number of price quotations retained for the analysis of price data for each duty station. The secretariat believed that it was preferable to collect prices for a wider range of items, including those whose characteristics only approximately fit the approved specifications, so that a better matching of items could be done later during the analysis phase, rather than to collect prices on a restricted set of items, some of which might not perfectly match corresponding items priced in New York. With regard to the exclusion of some questionnaires submitted, the secretariat explained that only those questionnaires containing incomplete or inconsistent information, which would be likely to distort the analyses, had been excluded. However, thanks to the high levels of staff participation in the surveys, there were far more useable questionnaires than required.

The Commission judged positively the inclusion in the Advisory Committee's work programme of a comprehensive review of the treatment of Geneva for the purposes of post adjustment, especially in light of the accession of Switzerland to the Schengen Agreement. It was noted that, given the location of Geneva, it was not unusual for Geneva-based staff members to shop or live in neighbouring France, and that this introduced the need for a definitive resolution of the issues related to the post adjustment classification of Geneva as soon as possible and, in any case, before the next round of surveys.

With regard to the issue, brought up by FICSA, of loss of purchasing power reported by staff members serving in Bulgaria, Hungary, Poland and Romania, the Commission acknowledged that the exchange rates of the currencies of those countries were more stable than they had been three years previously, when the problem was initially discussed by the Commission. In that connection, the Commission took note of the secretariat's plan to conduct additional place-to-place surveys in those duty stations, until the next round of surveys, to address this issue.

Report on the establishment of grade equivalencies between the United States

federal civil service and the United Nations system

The Commission requested further clarifications about the Advisory Committee's evaluation of the statistical validity of recommendations on the establishment of grade equivalencies between the United States federal civil service and the United Nations system. The secretariat stated that while the Committee saw merit in some recommendations regarding more efficient data-collection mechanisms, it found the recommendation to use the so-called non-linear regression analysis to be problematic, as that method oversimplified the complex nature of the relationship between the grades of staff of the United States federal civil service and those of the United Nations, and thus was not applicable to the current framework for the calculation of the net remuneration margin.

Decisions of the Commission

Methodological aspects of the cost-of-living surveys

The Commision decided:

(a) to take note of the prices collected in New York and to affirm that the collection and processing of price data, including the analysis of the external rent data, and the development of the weighting structures had been carried out in accordance with the approved methodology;

(b) to note that the secretariat had carried out place-to-place surveys in Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington D. C. and had analysed the survey data in accordance with the approved methodology;

(c) to approve the recommendations of the Advisory Committee in respect of modifications of the specifications of selected items;

(d) to note that the New York survey data would be used as a base for making cost-of-living comparisons for both group I and group II duty stations;

(e) to approve the new common weights for the 2010 round of surveys, obtained exclusively from staff reports on expenditures, without using external data;

(f) to take note of the methodology to be used for data collection ans processing at field duty stations;

(g) to permit its secretariat to modify survey questionnaires, as necessary, for use in the conduct of all surveys in the current round of cost-of-living surveys at both group I and group II duty stations, in order to improve them in the light of lessons learned from the baseline surveys.

Results of baseline cost-of-living surveys

The Commision decided:

(a) to approve the results of the 2010 place-to-place surveys for Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington D. C., as recommended by the Advisory Committee; the survey results are summarized in the table below.

Summary of the results of the 2010 cost-of-living comparisons between New York and Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, D.C., as of the survey date

Duty station	Month of survey (2010)	Existing Exchange rate	Existing post-adjustment index(PAI)	Existing multiplier	New post-adjustment index	Change in the PAI (percentage)	Classification change (percentage)
Geneva	September	1.026	182.82	85.0	182.88	0.03	-*
London	September	0.644	158.61	58.6	169.41	6.81	6.81
Madrid	September	0.787	144.93	45.0	146.27	0.92	0.88
Montreal	September	1.053	152.31	52.9	157.14	3.17	2.77
Paris	September	0.787	153.86	54.7	158.64	3.11	2.55
Rome	October	0.735	158.22	59.9	161.92	2.34	1.26
Vienna	October	0.735	158.91	62.3	160.10	0.75	-*
Washington D.C.	October	-	141.87	42.6	144.90	2.14	1.61

* New PAI lower than existing Pay Index.

(b) that the results of the surveys for Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington D. C., should be taken into account in determining the post-adjustment classification of those duty stations effective 1 April 2011;

(c) that additional place-to-place surveys be scheduled for Bulgaria, Hungary, Poland and Romania in the middle of the present round of surveys.

Report on the establishment of grade equivalencies between the United States federal civil service and the United Nations system

The Commission decided to take note of the Advisory Committee's evaluation of the statistical validity of recommendations on the establishment of grade equivalencies between the United States federal civil service and the United nations system.

73rd Session (July): The Commission approved the agenda proposed for the thirty-fourth session of the Advisory Committee on Post Adjustment Questions (ACPAQ) as set out in annex II to document ICSC/73/R.16.

2012 **75th Session (July)**: The Commission considered the report of ACPAQ on the work of its thirty-fourth session, held in Rome from 23 to 30 April 2012 (ICSC/75/R.9), covering the estimation of the weight of the out-of-area component of the post adjustment index for group I duty stations, the review of the methodology for the collection of external rent data for group I duty stations, the methodology for the estimation of the rent index for group I duty stations and the review of the post adjustment classification of Geneva.

The Commission recalled that the issue of the specification of the out-of-area weight had been the subject of discussion at previous sessions. The Commission pointed out that any change to the use of actual survey data should therefore include not only group I duty stations but also group II duty stations, where such a change might lead to undesirable results. The Commission also cautioned against putting too much premium on data collected from one successful survey when there was no guarantee that such success would be replicated in the future. Some Commission members were skeptical about the results of the survey showing very low out-of-area expenditures for Geneva, which was dramatically inconsistent with the results of the 2007 out-of-area survey, showing that France was second only to the United States of America as a destination country for out-of-area expenditures of all United Nations common system Professional staff, a result that was clearly attributable to the impact of expenditures incurred in France by Professional staff based in Geneva, by far the largest of all duty stations covered by post adjustment, in terms of number of staff. Those Commission members believed that in the light of questions about the validity of the data collected from Geneva, which accounted for about 70 per cent of the estimated financial implications, there should be no change to the specification of the weight of the out-of-area component of the post adjustment index until the validity of the survey data could be assured.

The Commission expressed the view that changing the specification of the out-of-area weight would represent a fundamental departure from the current methodology and should therefore not be handled in isolation from other components of the post adjustment index. It therefore suggested that the issue, along with the post adjustment classification for Geneva, should be part of a comprehensive review of all aspects of the post adjustment system to be conducted by the Advisory Committee in the future. It was understood that the proposed agenda of the thirty-fifth session of the Advisory Committee would be amended accordingly.

On the issue of survey data, the Commission also requested that the Advisory Committee investigate the feasibility of developing procedures for assessing the validity of staff-reported survey data, taking into account the budgetary limitations of the Commission's cost-of-living survey process, and to make recommendations in this regard for the Commission's consideration.

With regard to the external market rent data, the Commission agreed with the view of the Advisory Committee that the methodology employed by the International Service for Remuneration and Pensions was the correct approach for appropriate rent comparisons and therefore saw no need for customization of the data collection for each duty station. The use of external market rent data was mandated by ICSC precisely to overcome problems related to comparability of rent data. If the International Service for Remuneration and Pensions data were considered comparable for purposes of adjusting salaries for officials of the European Union and Coordinated Organizations, then they should be so considered for purposes of adjusting salaries of United Nations common system staff.

The Commission decided that it would be better to defer taking any decision on the issue until after consideration of recommendations emanating from the aforementioned comprehensive review of other aspects of the post adjustment system. The Commission also took note of the report on the "other business" items dealing with the evolution of net take-home pay in Hungary and the payment of the national insurance contribution by some staff of organizations based in the United Kingdom.

The Commission decided:

(a) To request the secretariat to conduct a comprehensive review of the methodology underlying the post adjustment system, specifically addressing the following issues:

(i) A review of the specification of the out-of-area weight to be used for post adjustment index calculations for all duty stations;

(ii) A review of the classification of household expenditures, including purchases on the Internet, as in-area or out-of-area;

(iii) An examination of the rationale for the inclusion of the pension contribution index in the post adjustment index structure;

(iv) A progress report on the feasibility of incorporating geographical areas outside Geneva in establishing the post adjustment classification of Geneva;

(b) To request the secretariat to develop procedures for assuring the quality of data collected from staff expenditure surveys;

(c) To request the secretariat to conduct an out-of-area survey in 2012 for the purpose of updating the list of countries, and their corresponding weights, that are used in the estimation of the out-of-area index;

(d) To defer taking a decision on the methodology for estimating the rent index for group I duty stations until after consideration of the recommendations of the Advisory Committee on Post Adjustment Questions on the issues in (a) and (b) above;

(e) That the selection of neighbourhoods used for the collection of market rent data by the International Service for Remunerations and Pensions should not be customized for the various group I duty stations;

(f) To approve the agenda for the thirty-fifth session of the Advisory Committee on Post Adjustment Questions, as outlined in annex II of document ICSC/75/R.9.

2013 **77th Session (July)**: The Commission considered the report of ACPAQ on the work of its thirty-fifth session, held in Geneva from 22 to 29 April 2013 (ICSC/77/R.10).

A number of recommendations were discussed based on the results of methodological studies, with specific reference to the estimation of the out-of-area weight used in the calculation of the post adjustment index for all duty stations; the classification of staff expenditure, including Internet purchases, as in-area or out-of-area; procedures for assuring the quality of data from staff expenditure surveys; an examination of the rationale for the inclusion of the pension contribution component in the post adjustment index structure; a progress report on the feasibility of incorporating geographical areas outside Geneva in establishing the post adjustment classification of Geneva; and a revision of the list of countries and their corresponding weights that are currently in use in the estimation of the out-of-area index, on the basis of the results of an out-of-area survey. Some initial proposals of the Advisory Committee for the agenda of its thirty-sixth session were also included for the Commission's consideration.

The representative of the Human Resources Network recapitulated the major reasons for the Network's opposition to the inclusion of neighbouring France in the establishment of the post adjustment classification of Geneva with effect from the next round of surveys, some of which, in her view, were not spelled out in detail in the report. First, the inclusion of an area outside the country of duty station would require amendments to the Staff Regulations of each organization present in Geneva and such amendments could only be made by the governing bodies of the organizations, not by the Commission or the General Assembly. Secondly, the inclusion of neighbouring France would require a redefinition of the concepts of in-area and out-of-area expenses. Thirdly, the status of organizations and officials in a duty station were determined by the provisions of the host country agreement, including entry and residency facilities for staff members, and the import and export of goods and services into the host country. She added that there was no such host country agreement between any of the Geneva-based United Nations agencies and the Government of France and not every staff member had the choice to reside in France, as residency permits for United Nations staff who wished to reside in France were granted on a discretionary basis. Fourthly, a redefinition of the duty station would also require the consent of the host country and possibly that of the neighbouring country proposed for inclusion in the data collection. Fifthly, none of the major Member States with diplomatic envoys in Geneva (including the comparator, the United States of America) or any of the other international organizations outside the United Nations system (the Global Fund, the Word Trade Organization and the European Union) took into account neighbouring France in the determination of the cost of living for Geneva, regardless of whether their staff lived in France or bought goods and services across the border. Lastly, the percentage of Professional staff residing in neighbouring France varied and was approximately 25 per cent, representing a minority of the United Nations Professional staff population in Geneva, in contrast with the much higher percentage of General Service staff residing in France. Those legal, political and equity considerations should be addressed and solved before the technical feasibility of including neighbouring France was considered. Since the legal aspects of the problem were of concern to several independent organizations, they should be addressed collectively by the organizations concerned.

The representatives of all three staff federations (FICSA, CCISUA and UNISERV) concurred with the views expressed by the representative of the Human Resources Network. The representative of FICSA

supported the fundamental role of the Advisory Committee in ensuring the purchasing power parity of salaries of Professional staff and for its recommendations as presented in the report, except for the inclusion of France in the calculation of post adjustment for Geneva. FICSA reiterated that the legal issues, not the technical issues, were to be considered first, as the organizations were based in Switzerland, not in France.

The Vice-Chairman of ICSC, speaking in his capacity as Chairman of the Advisory Committee, pointed out that official figures obtained from Swiss authorities indicated that about 25 per cent of Geneva-based Professional staff members resided in neighbouring France, adding that that figure was around 45 per cent for all officials of international organizations, including General Service staff, as well as officials outside the United Nations common system. Regarding the incorporation of neighbouring France in the establishment of the post adjustment for Geneva, he pointed to evidence that neighbouring France did not at the time meet the requirement of comparability of neighbourhoods selected for market rent surveys in all group I duty stations. Therefore, it could not be incorporated in the context of an enlarged Geneva area without satisfying that requirement. He also drew the attention of the Commission to the need to determine how the report's recommendations on methodological issues pertaining to the next round of surveys would fit in with the work and schedule of the review of the United Nations common system compensation package.

A member of the Commission affirmed that the maintenance of purchasing power parity of salaries was an essential feature of the compensation package of international staff, but not necessarily through the post adjustment system in its current form. In her view, the system needed to be simplified in a way that made it transparent, predictable and financially sustainable over time. There was consensus among Commission members that the post adjustment system should be an integral and major part of any review of the United Nations common system compensation package, and that the system itself could benefit from simplification.

It was pointed out that the Advisory Committee's recommendations pertained to the next round of surveys and, as the recommendations from the comprehensive review of the United Nations compensation package were due to be submitted to the General Assembly by 2015, it would not make sense to act on the recommendations at the time, because the post adjustment system itself might change by the time of the next round of surveys. Ideally, the next round would be launched only after the new United Nations common system compensation package was in place. In the meantime, the post adjustment system would be run on the basis of the existing methodology and the Cost-of-Living Division of the ICSC secretariat would be actively involved within the working groups to be established for the comprehensive review of the United Nations common system compensation package and refer statistical and methodological issues to the Committee for its review and recommendation, as and when necessary. In essence, the agenda of the Committee for the next round of surveys would be set on the basis of matters arising from the conclusions of the working groups.

The Commission decided:

(a) To take note of the report of the Advisory Committee on Post Adjustment Questions on the work of its thirty-fifth session;

(b) To revert to the issues raised in the context of the comprehensive review of the United Nations common system compensation package;

(c) That the operation of the post adjustment system should be part of the comprehensive review of the United Nations common system compensation package and that ACPAQ should adjust its work programme accordingly.

2014 **78th Session (March)**: The Commission considered the proposed agenda for the thirty-sixth session of ACPAQ, to be held in Budapest in April 2014, as set out in annex II to document ICSC/78/R.10.

Given that the session of the Advisory Committee was due to be held a few days after the end of the session of the Commission, its draft agenda had been pre-approved by correspondence in January 2014.

The Commission considered the progress report of the working group on the remunerations structure, including post adjustment, and acknowledged that all the technical matters regarding the post adjustment system would be dealt by ACPAQ at its thirty-sixth session. The recommendations of the Advisory Committee would be submitted for initial review by the working group on the remuneration structure, including post adjustment, at its next meeting, before being considered by the Commission at its seventy-ninth session.

79th Session (July): Pursuant to article 11 of its statute, the Commission continued to keep under review the operation of the post adjustment system and, in that context, considered the report of the Advisory Committee on Post Adjustment Questions (ICSC/79/R.8) on the work of its thirty-sixth session. Convened as part of the ongoing review of the United Nations common system compensation package, the Advisory Committee undertook a number of pertinent studies at the request of the Commission. The report contained several recommendations related to the possible simplification of the post adjustment index structure, a harmonized specification of the out-of-area weight used in post adjustment index calculations for all duty stations, and the feasibility of using price data collected under the European Comparison Programme for the purposes of establishing post adjustment for all covered group I duty stations; as well as a review of the rental subsidy scheme. Although the classification of duty stations for post adjustment purposes did not fall under the Advisory Committee's normal scope of work, at the request of the Commission, the Committee also submitted a recommendation regarding the use of statistical regression modelling, to assist the Commission in making the essentially administrative decision of classifying duty stations for the purposes of post adjustment. In addition, the Commission considered recommendations by the Secretariat regarding modifications to the operational rules governing the post adjustment system as a means of improving the stability and predictability of salary adjustments, as well as ensuring the sustainability of the remuneration system of the United Nations common system over time.

The Commission expressed reservations regarding the possibility of simplifying the post adjustment index structure, indicating that the logic for including an out-of-area component in the post adjustment index was not immediately clear, but acknowledged that that component had a stabilizing effect on the post adjustment index. However, the Commission expressed confidence in the technical competence and independence of the Advisory Committee and, on that basis, was prepared to endorse its recommendation regarding the structure of the post adjustment index. Also, it was stressed that there was no justification for removing any component of the post adjustment index, as each of those components had a clear and logical rationale for inclusion in the post adjustment index and, as had been amply demonstrated in the secretariat's presentation, removing any of the components from it would complicate, rather than simplify, the remuneration system and lead to other undesirable results.

Concerning the operational rules, members of the Commission agreed that the proposed modifications to the operational rules governing the post adjustment system would lead to a more predictable, transparent and sustainable remuneration system and suggested that the secretariat conduct the empirical analysis of the proposals necessary for the review of the Advisory Committee at its next session. They also endorsed the recommendations of the Committee regarding the harmonized specification of the weight of the out-of-area component, the calculation of the rent index for group I duty stations, the classification of duty stations for post adjustment purposes, the use of data from the

European Comparison Programme in the calculation of post adjustment indices for covered group I duty stations, and the new methodology for calculating the rent index for group I duty stations. Finally, the Commission requested the secretariat to initiate preparations for the next round of place-to-place surveys and to submit proposals in that regard for the review of the Advisory Committee at its next session.

The Commission:

(a) Approved the recommendations of the Advisory Committee from its thirty-sixth session, as outlined in paragraphs 180 to 184 of document ICSC/79/R.10;

(b) Approved the use of the new methodology for calculating the rent index for group I duty stations recommended by the Advisory Committee at its thirty-fourth session, as outlined in paragraph 185 of the present report;

(c) Requested the secretariat to initiate preparations for the next round of surveys and to submit proposals in that regard for the review of the Advisory Committee at its next session.

2015 **80th Session (March):** Pursuant to article 11 of its statute, the Commission continued to keep under review the operation of the post adjustment system and, in that context, considered the report of ACPAQ on the work of its thirty-seventh session. Convened as part of the ongoing review of the United Nations common system compensation package, as well as the methodological preparations for the 2016 round of cost-of-living surveys, the Advisory Committee reviewed a number of pertinent studies and made a number of recommendations for the Commission's consideration.

These recommendations pertained mainly to the review of the list of items and specifications in the market basket of ICSC; the redesign of data collection forms; the modus operandi for the use of price data collected under the European Comparison Programme for purposes of establishing post adjustment for all covered group I duty stations; proposals for modifications to the operational rules governing the post adjustment system; a review of the rental subsidy scheme in the context of the restoration of the trade-off between rental subsidy and post adjustment (see Section 2-1-72 of the compendium); and a review of the operation of post adjustment in New York in the context of the United Nations/United States net remuneration margin management mechanism.

The Advisory Committee explained that the proposed data collection forms and list of items and specifications were provisional and recommended that the secretariat undertake a further revision of those survey instruments, ensuring comparability of items at all duty stations, prior to the launch of the 2016 round of surveys, in collaboration with organizations and staff federations. The Advisory Committee also recommended that the secretariat put in place the modus operandi for the use of the European Comparison Programme data through a mini-survey in New York; and ensure the highest possible degree of comparability of outlets used in price data collection at all duty stations and, in the case of group I duty stations covered by the European Comparison Programme, the comparability of the outlets used for price data collection by the Programme and in New York.

The Advisory Committee also informed the Commission that the existing approach of linking the evolution of salaries for United Nations common system staff in New York rigidly with that of United States federal civil servants in Washington, D.C., would lead to a simpler and more predictable mechanism for adjusting salaries for United Nations common system staff in New York, but that its implementation was likely to result in more complicated and less predictable salary adjustments for staff serving at other duty stations around the world.

The Advisory Committee concluded that there were no statistical methodological grounds to support or oppose any of the proposed modifications to the operational rules governing the post adjustment system, and recommended that the secretariat assist the Commission in making decisions in this regard, in the context of its comprehensive review of the United Nations common system compensation package, without prejudice to the principles underlying the post adjustment system.

The Commission:

(a) Approved all of the recommendations of the Advisory Committee from its thirty-seventh session, as outlined in paragraphs above;

(b) Approved the agenda for the thirty-eighth session of the Advisory Committee, as set out in annex VIII to document ICSC/80/R.9;

(c) Decided to request the secretariat to conduct further analysis aimed at submitting specific proposals regarding:

(i) Modifications of the operational rules governing the post adjustment system, for the Commission's consideration at its eighty-first session;

(ii) Implementation of key features of the rental subsidy scheme that should be harmonized across all organizations and duty stations, for the Commission's consideration at a later session.

81st Session (July):

Modifications to the operational rules governing the post adjustment system

The Commission considered document ICSC/81/R.9 on modification of operational rules governing the post adjustment system prepared by the secretariat in response to the decision of the Commission at its 80th session. The secretariat concluded that only four rules merited consideration for modification:

(a) The 5 per cent rule under the existing regime of synchronization of post adjustment classification review cycles for group I duty stations;

(b) The gap closure measure, specifically the 5 per cent augmentation of the survey-based post adjustment index in setting the new post adjustment classification for a duty station following negative place-to-place survey results;

(c) The 0.5 per cent rule establishing the benchmark level of net take -home pay in the local currency at group I duty stations;

(d) The establishment of rental subsidy thresholds.

The Commission noted that the secretariat highlighted revisions to the calculation of the post adjustment index already approved by the Commission at its seventy-ninth session, in 2014. Those revisions pertained primarily to the use of a harmonized specification of the out-of-area weight for all duty stations and a new methodology for calculating the rent index for group I duty stations. The modifications produced a post adjustment index that was more accurate and transparent.

The Commission recalled the rationale for **the 5 per cent rule**, which allowed for the adjustment of salaries before the date of statutory review of the post adjustment classification as a result of excessive

inflation that triggers a change of 5 per cent or more in the cost of living at group I duty stations. Under current arrangements, the reference date for monitoring inflation was not reset unless there was a real increase in net remuneration, which meant that the rule could be triggered over periods longer than one year in times of low or moderate inflation. The data presented showed that the rule had been triggered within one year or earlier only in around 54 per cent of the 72 instances of its application in the past 14 years (from 2002 to 2015). The Commission reviewed three options for modification of the rule. One option was to abolish the rule, which meant that all group I duty stations would have the same post adjustment classification review date as New York, regardless of their specific macroeconomic circumstances. The second option was to retain the rule, but reset the reference date for monitoring inflation to the date of statutory review of the post adjustment classification, whether or not the review led to a real increase in salaries, which would address only situations of excessive inflation occurring within 12 months, not of low or moderate inflation over longer periods of time. The third option was a slight modification of the second, that is, to apply the rule only if it were triggered more than three months before the date of statutory review of the post adjustment classification, synchronized with New York. That option would eliminate the possibility of more than one post adjustment classification review within three months and, at the same time, enhance the synchronization of post adjustment classification review cycles for all group I duty stations.

Regarding the **gap closure measure**, the option of eliminating the 5 per cent augmentation of the survey-based post adjustment index in setting the new post adjustment classification for a duty station following negative place-to-place survey results was discussed. This option would better align post adjustment indices and pay indices over time, but would lead to lower salaries, particularly in duty stations with weak and volatile local currencies.

The Commission addressed the potential for loss of purchasing power of salaries paid in the local currency in some group I duty stations where salaries were set in the local currency, but where staff members were obliged to spend a significant proportion of income on expenditures in non-local hard currencies (for example, rents paid in euros and tuition fees paid in United States dollars). It considered a modification of the 0.5 per cent rule, under which net take -home pay in the local currency would be stabilized from month to month by adjusting the post adjustment classification to account for fluctuations in the exchange rate. Under the modification, net take-home pay would be split into two parts, one in the local currency and the other in United States dollars; each part would be stabilized within a band of plus or minus 0.5 per cent. Although the modification would produce marginal increases in salaries during periods of depreciation of the local currency relative to the United States dollar, depending on the assumed proportion of expenditures in non-local currencies (the higher the proportion, the higher the salary increases), the opposite could arise when the local currency appreciated relative to the United States dollar. Furthermore, the modification could introduce complications in the post adjustment index calculation and in updating it for group I duty stations.

Members of the Commission affirmed the critical role of post adjustment in equalizing the purchasing power of salaries in all duty stations as well as the need to have a system that allowed for its proper calculation. They concurred with the rationale for the 5 per cent rule and agreed with the organizations and staff federations that it should be retained but modified in such a way as to address only excessive inflation within a 12-month time frame. In the interest of simplifying the work of the secretariat and enhancing the existing synchronization of post adjustment classification review cycles for all group I duty stations, application of the rule should be limited only to situations when it was triggered more than three months before the date of statutory review of the post adjustment classification.

Most Commission members noted that the gap closure measure was intended to ease the transition to a lower salary level for staff already serving at a duty station prior to the date of implementation of the lower post adjustment multiplier. They saw no justification, however, for offsetting the resulting lower

post adjustment levels by a 5 per cent augmentation of the post adjustment index derived from the survey in determining the post adjustment multiplier for the duty station, which would be applicable to staff assigned to the duty station after the date of implementation of the lower post adjustment multiplier. They stressed that the post adjustment was designed to compensate for the actual cost of living at a duty station and thus that the results of a cost-of-living survey, even if significantly negative, should be considered as an accurate reflection of reality. They called for the abolition of the 5 per cent augmentation of the survey results, as this was tantamount to compensating staff at levels in excess of those warranted by the evolution of the cost of living. In response to requests for clarification, the secretariat pointed out that the proposed modification would lead to significant reductions in salary levels in duty stations with weak and volatile local currencies. As an illustration, the secretariat presented the results of the most recent application of the 10-point rule, which showed that subsequent cost-of-living surveys conducted in the affected duty stations led to reductions in post adjustment multipliers of up to 23 percentage points under current arrangements, and up to 30 points under the proposed modification.

Regarding the adjustment of the post adjustment classification of group I duty stations under the 0.5 per cent rule, some Commission members observed that although the problem of the negative impact of a weak local currency on the purchasing power of net take-home pay in group I duty stations, with significant staff expenditures in non-local currencies, was currently most pronounced in Hungary, it was of general concern for duty stations in Eastern Europe as a whole. The economies in Eastern Europe were apparently more similar to those of group II than group I duty stations. Given that some of those duty stations had unique circumstances with regard to the stability of their local currencies and their economies as a whole, some Commission members saw merit in modifying the 0.5 per cent rule as proposed by the secretariat. Other members, however, stressed that the Hungarian forint was largely stable relative to the United States dollar and its fluctuations were not greater than local currencies of other group I duty stations had been in the past. They also affirmed the Commission's previously expressed view that the issue at hand pertained to the interaction of currencies, which was unpredictable, and that the remedy of more frequent cost-of-living surveys was a reasonable way to address it. They highlighted the problems associated with the implementation of the proposed modification, which included: the additional complications that would be introduced in the post adjustment index calculation and in updating it for all group I duty stations; the difficulties regarding the accurate measurement of the average expenditures in non-local currencies at the duty stations; the possibility that any gains that might accrue during periods of sustained depreciation of the local currency might be reversed when the local currency strengthened relative to the United States dollar; and the fact that the resulting post adjustment index would be much less sensitive to local economic conditions. In view of such problems and the remedial measures already in place, they considered that the costs associated with the modification of the 0.5 per cent rule far outweighed the benefits. They therefore suggested that the existing rule be maintained, and that the secretariat further study and report back on the special situation of Hungary and similar duty stations, where a significant proportion of staff in-area expenditures were incurred in non-local currencies.

The Commission decided:

(a) To retain the 5 per cent rule to account for excessive inflation in group I duty stations in a timelier manner. The reference date for monitoring inflation should be reset at the time of the statutory review of the post adjustment classification, whether or not there was a change in classification. The rule should be implemented only if triggered more than three months before the date of statutory review of the post adjustment classification;

(b) To modify the gap closure measure in determining the post adjustment multiplier applicable to a duty station by abolishing the 5 per cent augmentation of the post adjustment index derived from negative place-to-place survey results;

(c) To continue to apply the 0.5 per cent rule, in accordance with existing operational rules.

(For Rental subsidy discussion and decision see Section 2.1.72 of the compendium)

2016 **82nd Session (March): T**he Commission considered the report of ACPAQ on its work at its thirty-eighth session (see ICSC/82/R.5). In particular, the Commission considered the Committee's main conclusions and recommendations on methodological issues pertaining to the 2016 round of cost-of-living surveys. Previous recommendations that had already been approved by the Commission at prior sessions were reaffirmed. These recommendations covered the out-of-area component of the post adjustment index, made on the basis of the Committee's review of the results of simulations conducted by the secretariat to assess the optimality of the system of bands for the harmonized specification of the out-of-area weight used in the calculation of the post adjustment index, and the impact on the evolution of the out-of-area index and the post adjustment index, of the revised set of weights, derived from the results of an out-of-area survey conducted in 2012, for the existing basket of 26 countries used in the calculation of the out-of-area index.

List of items

In its discussion of the revised list of items and specifications, the Commission asked for an estimate of the financial implications of the new items and whether the approximate number of 300 items on the ICSC list was sufficient to efficiently cover the consumption patterns of United Nations common system staff members serving around the world. In response, the secretariat stated that it was difficult to fully assess the financial implications of the changes to the list of items and that such implications, as well as the financial impact of all other changes to the methodology for calculating the post adjustment index and the operational rules for determining post adjustment multipliers, could not be fully assessed until after price and expenditure data collected from the baseline surveys had been analyzed. However, it was reasonable to assume that there would be savings in price data collection costs at group I duty stations covered by the European Comparison Programme, from which the ICSC secretariat would no longer be collecting price data. The secretariat also stated that the results of simulations carried out on the basis of historical data and the existing methodology indicated that the change to the new method of calculating the rent index for group I duty stations would have the effect of reducing net remuneration, while the new harmonized specification of the out-of-area weight would have the opposite effect at high-cost duty stations.

With regard to the question of the adequacy of the ICSC list of items in comparison with the much larger market basket of the European Comparison Programme, the secretariat pointed out that the lists used by ICSC and the Programme were based on different methodologies and were used for different objectives. For such bilateral comparisons, the ICSC list of around 300 items historically had proved sufficient; increasing the number of items therefore would not add a great degree of precision to coverage of staff expenditures. The secretariat added that most of the basic procedures followed by ICSC and the European Comparison Programme were similar; the main difference related to the larger range of diverse duty stations covered by ICSC compared with the European Comparison Programme.

Common expenditure weights

In the discussion of the estimation of the new set of common expenditure weights, members of the Commission asked the secretariat to elaborate on the concept of basic headings and to indicate the

acceptable level of response rates for the baseline surveys that would be required for the estimation of the weights of the basic headings. In response, the secretariat explained that basic headings were essentially a grouping of similar, well-defined items according to homogeneous consumption patterns; they constituted the lowest level of the hierarchical structure of the post adjustment index, with weights based on staff expenditures. They are the building blocks for cost-of-living comparisons. With regard to the response rates and levels required of the surveys, the secretariat pointed out that response rates would be calculated in accordance with the precision requirements specified by the Committee for the accurate and reliable estimation of basic heading weights and would be made available during the pre-survey consultations scheduled to be held in April and May 2016. Members of the Commission took note of the enhancements made to the methodology and operational rules of the post adjustment system over the years, and expressed their agreement with the proposed changes to the basic heading structure of the post adjustment index, as well as the extension of the eligibility criteria for participation in ICSC cost-of-living surveys to include staff at the D-2 grade.

Issues relating to the out-of-area component of the post adjustment index

Members of the Commission also questioned the rationale for the inclusion of the out-of-area component in the post adjustment index. The secretariat explained that the out-of-area component was included in the post adjustment index in order to reflect the international character of United Nations staff members who, in varying degrees and for a number of different reasons, were all obliged to incur at least some of their expenditures abroad. The index constituted a worldwide measure of average inflation used to adjust over time the proportion of salary expended outside the duty station of assignment. It was not a compensation measure for staff members for the quantum of expenditures incurred abroad. The out-of-area component also performed the role of a stabilizing factor in the evolution of the post adjustment index.

The final conclusion of the Committee, endorsed by the Commission, was that the existing post adjustment index structure was fit for purpose and cost-effective, and that removal of any of the aforementioned components would have further complicated the administration of salaries, introduced a measure of instability in salary adjustments over time and increased the disparity in salaries between high and low-cost duty stations.

Members of the Commission asked whether consideration of out-of-area expenditures was also a practice of the comparator and whether it would be possible to have differentiated out-of-area indices by duty station. The secretariat explained that although the comparator did not have a specific component in its cost-of-living allowance system to account for out-of-area expenditures, such expenditures were included as part of the non-spendable portion of income, which was not adjusted according to local economic conditions. The secretariat also clarified that the out-of-area index reflected the average rate of inflation, expressed in United States dollars, in the 26 countries worldwide in which the majority of out-of-area expenditures were incurred. The out-of-area index was therefore common to all United Nations staff worldwide, even though the weight assigned to the out-of-area component of the post adjustment index was specific to each duty station.

In its consideration of the recommendations of the Committee, the Commission reiterated its confidence in the technical aspects of the Committee's work, as well as the Committee's ability to make definitive recommendations on all items on its agenda, specifically, those pertaining to the list of items and specifications, the survey data collection forms and the various procedures and guidelines for data collection, as well as the estimation of expenditure weights. The Commission stressed that it fully recognized that the secretariat might need to make minor adjustments to the list of items, as well as the staff expenditures survey questionnaire, before the launch of the baseline surveys, and suggested that such adjustments, if any, should be reported to the Commission and be approved in advance by the

Chair. The Commission also expressed interest in a live demonstration of the staff expenditures survey questionnaire and other survey instruments at its following session before the conduct of the surveys late in 2016. Members of the Commission were prepared to fully endorse the recommendations of the Committee, subject to the aforementioned conditions.

The Commission decided:

(a) To approve the revised list of items, together with their specifications, while granting the secretariat the flexibility to make further minor revisions, subject to the approval of the Chair of the Commission, prior to its finalization before the launch of the 2016 round of surveys;

(b) To take note of the Committee's recommendations with regard to the revised data collection forms to be used in the 2016 round of surveys;

(c) To approve the proposed procedures and guidelines for data collection for the baseline cost-of-living surveys at headquarters duty stations, as recommended by the Committee;

(d) That the staff expenditures surveys at headquarters duty stations and Washington, D.C., should be addressed to all eligible staff and that the data collected be used for the derivation of common expenditure weights, on the basis of the guidelines provided by the Committee;

(e) To include staff at the D-2 grade in the population of staff eligible for the Commission's cost-of-living surveys, starting with the 2016 round of surveys;

(f) To call for the active cooperation of organizations and staff federations through the established local survey committees, with the secretariat, in order to ensure the successful conduct of the surveys and the achievement of the desired high response rates;

(g) To approve the Committee's recommendation that, if response rates are insufficient, estimates of common expenditure weights, for the 2016 round of surveys only, be derived from 2010 common expenditure weights updated with relevant national consumer price indices;

(h) To approve the changes to the basic heading structure of the post adjustment index, with effect from the 2016 round of surveys, as recommended by the Committee;

(i) To approve the schedule of the 2016 place-to-place surveys, as recommended by the Committee;

(j) To approve the proposed agenda for the thirty-ninth session of ACPAQ as shown in annex III in document ICSC/82/R.5.

2017 **84th Session (March)**: The Commission considered the report of ACPAQ on the work of its thirty-ninth session, held in New York from 20 to 27 February 2017 (ICSC/84/R.7). The report addressed: (a) The approved methodology applied to the 2016 round of place-to-place surveys for cost-of-living survey comparisons between New York and the other seven headquarters duty stations and Washington, D.C.; (b) The collection of survey data in New York for the purpose of cost-of-living comparisons; (c) The Advisory Committee's recommendations on the results of the surveys conducted at the headquarters duty stations Geneva, Montreal, London, Madrid, Montreal, Paris, Rome and Vienna, and Washington, D.C.; (d) The recommendations of the Advisory Committee on adaptations of the approved methodology for application to surveys conducted in field duty stations; and (e) Other business.

Methodological aspects of the cost-of-living surveys

In reviewing the results of the recently conducted baseline surveys at the eight headquarters duty stations and Washington, D.C., and making recommendations thereon, the Advisory Committee confirmed that all aspects of the surveys had been conducted by the secretariat in accordance with the methodology approved by the Commission for the 2016 round of surveys. The new methodology featured a number of significant enhancements to the methodology used in the 2010 round of surveys, such as the adoption of the European Comparisons Program (ECP) as a source of specifications and price data (for covered group I duty stations), the re-design of survey instruments, the revision of the basic heading structure of the post adjustment index (PAI), the harmonized specification of the out-of-area (OA) weight for all duty stations, the treatment of housing expenditures incurred outside of the country of the duty station of assignment, the change in the procedure for calculating rent indices, and the expansion of the target population for the survey to include staff at the D-2 grade, as well as staff of non-UN common system organizations. Other aspects of the methodology included standard issues, such as the selection of outlets, price data collection and processing, and the treatment of sale prices and sales taxes. The Advisory Committee took note of, and recommended for approval by the Commission, some modifications to the methodology dictated by conditions in the field during data collection.

The Advisory Committee also took note of the levels of participation in the staff expenditures survey and confirmed that the estimates of the new set of common weights for the 2016 round exceeded the precision levels set by the Commission, and thus recommended that they be approved.

The Advisory Committee reported that all the components of the cost-of-living survey in New York had been carried out in accordance with the guidelines and procedures approved by the Commission and that the data collected provided a sound basis for making cost-of-living comparisons between New York and other duty stations. It also reported that the cost-of-living surveys conducted in Geneva, Montreal, and Washington, D.C., had been conducted in accordance with the approved methodology, and recommended for the Commission's approval, the survey results for the three duty stations where price data were collected by the ICSC secretariat. The Committee, however, decided to defer recommendations regarding the survey results for Rome, Vienna, Paris, London, and Madrid, pending its review of the results of a comprehensive price survey to be conducted by the secretariat in Brussels, as part of a broader research effort aimed at assessing and accounting for any systemic differences in the price data, that may be attributable to the transition from the ICSC to the ECP survey systems.

The Advisory Committee noted the appeal of the representatives of Budapest-based organizations as well as staff federations, for a review of the classification, for post adjustment purposes, of Eastern European duty stations, in particular Bulgaria, Hungary and Romania, which had been classified by the Commission as group I since 2007. They reiterated the previously expressed view that staff serving in these duty stations continued to experience erosion of the purchasing power of salaries primarily because they were obliged to incur expenditures such as tuition fees and rent in non-local hard currencies. They acknowledged that conducting more frequent cost-of-living surveys in these duty stations, as approved by the Commission, captured more precisely the evolution of the cost of living, but pointed out that this did not completely address the problem of significant expenditures made in non-local currencies, against which the local currency had been historically weak. The representatives requested consideration of remedial measures, such as the application of an operational rule for field duty stations that would stabilize the net take-home pay in United States dollars or the possibility of creating a hybrid classification of duty stations, combining features of group I and group II duty stations. They also requested that the Commission undertake a mission to such duty stations to conduct

a first-hand assessment of the cost-of-living situation experienced by United Nations common system Professional staff, preferably prior to the conduct of the next cost-of-living surveys.

In response to questions from participants, the secretariat explained that the principle underlying the post adjustment system was the equalization of the purchasing power of salaries paid to staff in the various duty stations relative to those paid to their counterparts in New York, the base of the system. Therefore, it was possible for post adjustment to decline in a duty station experiencing local inflation, as long as such inflation was exceeded by that measured in New York. It stressed that the results of the surveys for Geneva, Montreal, and Washington, D.C., were a true reflection of the cost of living experienced by staff, relative to New York, as they were based on price data collected from local retailed outlets and expenditure data collected from staff based at the duty stations. The secretariat referred to its presentation of the document where it demonstrated that the survey results were influenced by a combination of factors, including the higher inflation in New York than in the concerned duty stations; sustained strengthening of the United States dollar against the world's major currencies, and the necessary and appropriate changes in the methodology of PAI calculations. The secretariat emphasized that the survey results were effective as of the survey date and their impact on salaries could be determined only on the date of implementation, when the survey results would be updated to account for inflation and exchange rate fluctuations, and then compared to the prevailing pay index. In the case of Geneva, this comparison would indeed lead to a salary reduction of 7.5 per cent in United States dollar terms or about 6.7 per cent in Swiss Franc terms, if the implementation date were March 2017.

In response to specific issues raised about the seeming lack of comparability of the price data, particularly for the ECP covered duty stations, the secretariat explained that this was attributable not to the quality of the data, but to the lack of the repertoire of information and tools usually employed by the secretariat to ensure fair price comparisons between New York and the duty station, but which were not applicable in the case of ECP covered duty stations. For ECP covered duty stations, the secretariat had average price data collected under the ECP, along with some ancillary information. The list of outlets, or information about their market segmentation, was not available. However, it was clear that, for some items, the large disparities between the ECP and ICSC collected prices could be attributed, at least in part, to factors other than pure differences in prices. The Brussels price survey and the other comparative studies of the ECP and ICSC price data in Washington, D.C., New York, and Geneva/Bern, were proposed by ACPAQ as mechanisms by which to identify and adjust for the above-referenced sources of variation.

Commission members acknowledged the request of the representatives of organizations and staff federations for the secretariat to prepare a detailed and non-technical document, explaining the results and pinpointing key factors related to changes in the post adjustment indices that would be disseminated to staff and all stakeholders. They further acknowledged the need to allow sufficient time for the results to be communicated to staff members in the various duty stations. They concurred with all participants that the methodology that led to these results was not in question, adding that the issue at hand related to the implementation of the results, and, in this regard, called for careful consideration of the reasons for delaying or not implementing the results. They added that PAIs by definition increased or decreased to reflect changing macro-economic circumstances. When they increased, salary increases were automatically granted, but when they decreased significantly, a number of operational rules established by the Commission were invoked to stabilize and protect staff salaries for a period of time. In the case of Geneva which had previously been used as the base of the post adjustment system, the impact of macro-economic circumstances on salaries was not new, and thus it would be difficult to justify not implementing the survey results.

The Chairman of ACPAQ noted that in its presentation, the secretariat explained all key factors that led to the survey results for Geneva. He pointed out the fact that Geneva had been overpaid for a number of years as the pay index was consistently higher than the PAI. He added that the changes in the methodology, adopted by the Commission, which were in some cases requested by the organizations, were not aimed at reducing staff salaries, but rather to streamline and enhance the post adjustment system as a whole. A member of the Commission stressed the importance of high response rates for the reliability of survey results, and acknowledged the efforts made by all stakeholders through the years to arrive at such satisfactory response rates in the surveys. In reply to his question regarding the impact on the response rates of the expansion of the target population to staff at the D-2 grade and of non-United Nations common system organizations, the secretariat explained that the response rate for this category was lower than the average for the duty stations, and that, since the staff population in these categories, introduced as a precautionary measure in case of low turnout from United Nations staff, was relatively small, their inclusion did not noticeably impact the results. Another member of the Commission questioned some of the results presented, especially in the case of Geneva where the decrease in the survey results did not appear to be commensurate with the only slight decrease in local inflation. He added that staff members living in neighbouring France were subject to a lot of restrictions by local authorities, such as with respect to tax regulation and requirements for residency and home ownership. He called for a delay in the implementation of the results until further studies were conducted by the secretariat.

The Commission agreed that the methodology followed by the secretariat was sound and that the results were carefully studied at ACPAQ before they were recommended to the Commission. The surveys were the only mechanism for establishing purchasing power parity of salaries, which was invariably distorted between surveys by the disparate evolutions of macro-economic conditions in the various duty stations. Similar or worse salary reductions had been promulgated in accordance with the established operational rules for other duty stations in the field such as South Sudan, where staff risked their lives on a daily basis. They stressed that with the high response rates realized in the surveys, the results could be considered reliable and valid, and hence should be approved. With regard to the implementation of the results, they called for a careful analysis of the situation at hand to come up with appropriate solutions that would fulfil the triple-objective of transparency, fairness, and cost-effectiveness, while still adhering to the universal principles guiding the work of the Commission.

On the methodological aspects of the cost-of-living surveys, the Commission:

(a) Noted that the collection and processing of the data from the 2016 baseline cost-of-living surveys were carried out in accordance with the approved methodology;

(b) Noted that the adjustments of the approved methodology by the secretariat with regard to data collection and processing were justifiable in the light of the reported circumstances;

(c) Approved: (i) The new common weights for the 2016 round of surveys based on results of the household expenditure surveys; (ii) The continued use of size adjustment factors in the calculation of the rent index until the reliability of average rents for alternative dwelling living space sizes in New York was assured;

(d) Approved that the secretariat be granted the flexibility to: (i) introduce minor modifications to the staff expenditure survey questionnaire to be used in the 2016 round of surveys, in the light of experience acquired during the 2016 baseline cost-of- living surveys; and (ii) make minor modifications to the specifications of some items and to remove from the market basket any items

deemed difficult to find or to compare across markets, on the basis of experience acquired during the 2016 baseline cost-of-living surveys.

On the results of baseline cost-of-living surveys, the Commission decided:

(a) To approve the results of the baseline cost-of-living surveys conducted in 2016 for Geneva, Montreal and Washington, D.C., as recommended by the Advisory Committee, and summarized in the table below; and

(b) That the results for these three duty stations be implemented on 1 May 2017, taking into account inflation and exchange rate fluctuations between the survey date and the date of implementation of the results.

(c) That the results, if negative for staff, would be implemented on the basis of established transitional measures.

Summary of the results of the 2016 cost-of-living comparisons between New York and Geneva, Montreal and Washington, D.C., as of the survey date

			As of Survey date Survey post adjustment index	Updated post adjustment index	Difference (percentage)
Country	Duty station	Survey month (2016)	1.	(2)	(1)/(2)
Canada	Montreal	October	135.3	134.3	0.7
Switzerland	Geneva	October	165.9	172.4	-3.8
United States	Washington, D.C	September	144.0	142.3	1.2

The Commission decided to request the secretariat to: (a) Conduct research, in collaboration with partner agencies, as well as organizations and staff federations, including a price survey in Brussels, supplementary price data collection via a mini-survey in New York, and analysis of the Brussels price data, as well as other such data as may be available, with the objective of identifying and adjusting for any differences in the price data that may be attributed to the transition from the ICSC to the ECP survey systems; (b) Use the research findings to estimate a survey transition factor that can be used to adjust the in-area (excluding Housing) indices of all ECP-covered duty stations (London, Madrid, Paris, Rome and Vienna); and (c) Submit the results of the research for review by ACPAQ and final recommendations for the Commission´s consideration at its eighty-fifth session.

On the application of methodology for field duty stations, the Commission decided to:

(a) Approve the methodology to be used for data collection and processing for field duty stations;

(b Approve the use of the modified housing costs for various housing types and sizes in New York as benchmarks in the calculation of the housing index for field duty stations; and

(c) Take note of the Committee’s endorsement of the modifications to the questionnaires to be used for the cost-of-living surveys at field duty stations.

On other business, the Commission took note of the post adjustment issues in the Eastern European duty stations as referred to in para. 91 of document ICSC/84/R.8.

85th Session (July): Pursuant to article 11 of its statute, the Commission continued to keep under review the operation of the post adjustment system, and in that context considered the report of the Advisory Committee on Post Adjustment Questions on its work at its resumed thirty-ninth session, held in New York from 29 to 30 June 2017. The report addressed primarily the outcome of the special price survey conducted by the secretariat in Brussels and their application to the pending results of cost-of-living surveys at headquarters duty stations, for which price data collected under the European Comparison Programme, rather than by the ICSC secretariat, are used in post adjustment index calculations. The report also included the proposed agenda of the Advisory Committee's fortieth session, as well as some background information and a conceptual framework for the analysis of the implications of proposed changes to some parameters of the rental subsidy scheme.

The Commission also had before it three documents. The first was a document prepared by Geneva-based organizations on considerations with regard to cost-of-living surveys and post adjustment matters, and the legal and managerial implications of the negative results of the cost-of-living survey for Geneva conducted in 2016. That document included an annex containing a report of the findings of a team of four statisticians (two from ILO, one from UNCTAD and a consultant, referred to as the "Geneva statisticians"), with regard to various methodological issues pertaining to the post adjustment system, as well as the secretariat's application of that methodology in calculating the post adjustment index for Geneva. The second document was a response prepared by the secretariat addressing the issues raised by the Geneva statisticians, but not the legal and managerial issues raised by Geneva-based organizations, as such matters would be more appropriately addressed by the Commission. The third was a note prepared by the staff federations that also dealt with issues related to the post adjustment methodology and operational matters.

Of primary importance in the three documents were the following aspects: (a) The statistical validity and the faithful application of the methodology for the calculation of the rent index; (b) The reliability of the rent data for Geneva, obtained from the International Service for Remunerations and Pensions (which services the Co-ordinated Organizations under the auspices of the OECD), for use in the calculation of the rent index; (c) The processing of survey data regarding domestic services, in particular the treatment of outliers; (d) The calculation of the medical insurance index.

Referring to the document from the by Geneva-based organizations the secretariat, in its report, concluded that the findings of the Geneva statisticians were based on a fundamental misunderstanding of the Commission-approved methodology. Furthermore, the Geneva statisticians used an alternative methodology to arrive at different results that were then used to question the secretariat's application of the approved methodology. The secretariat noted that all of the Geneva statisticians' methodological proposals seemed to be designed for the specific purpose of giving advantage to Geneva, even to the point of using the International Service for Remunerations and Pensions market rent data as "expenditure weights" in the calculation of the rent index, despite having strongly advocated the use of staff expenditures on rent for this purpose.

Issues pertaining to the post adjustment methodology and its application to the baseline cost-of-living surveys for 2016 at headquarters duty stations and Washington, D.C.

No member of the Commission questioned the results of the cost-of-living surveys or the faithful application of the approved methodology and the general consensus was that, since the results were expected to have a heavy impact on staff remunerations, not only in Geneva but potentially other duty stations, it was wise to seek a solution that would enhance existing mitigation measures and that there

was still time to do so. In concrete terms, several members of the Commission indicated that the parameters of the gap closure measure, including the mitigation provided by the augmentation of severely negative survey results, should be revisited. Also, the Commission considered that an external review of the post adjustment methodology could well take place within the regular proceedings of the Advisory Committee on Post Adjustment Questions, where statisticians of the secretariat, organizations and staff federations could discuss different options for improving the post adjustment system methodology. Members of the Commission were of the view that questions of statistical and methodological nature were better handled within that framework rather than in Commission sessions, even though a number of Commission members did have adequate expertise to make their own judgement on such technical matters.

The Commission noted that the implementation of the Noblemaire principle required the maintenance of purchasing power parity of salaries across duty stations, even when results of cost-of-living surveys were negative in some locations, adding that it was important to keep these principles in mind, since all stakeholders understood that this was critical in keeping the common system cohesive. While acknowledging the stance of staff from a humanitarian point of view, a member of the Commission suggested that an early warning system should be established to enable staff and administrations, and even the Commission, to be aware of the likely evolution of relative cost of living in the various duty stations and its impact on staff salaries.

The ICSC Chair stated that the Commission's decisions had implications for the entire common system, adding that the present issues regarding the post adjustment in Geneva were essentially a repeat of similar situations in the past, exclusively related to Geneva. He recalled General Assembly resolution 38/232, which had led to a freeze of salaries throughout the common system in response to the non-application of a post adjustment index that was significantly lower than the prevailing pay index for Geneva at the time. The Chair also recalled General Assembly resolution 44/198, in which the Commission was requested to devise appropriate measures to deal with those duty stations where, upon implementation of a place-to-place survey, there existed a significant difference between the post adjustment index and the actual multiplier. With regard to the report of the Geneva statisticians, the main point of contention was the housing component, but for that component, and indeed for all other components of the post adjustment index, he stressed that the approved methodology had been correctly applied by the secretariat. As to the institution of an early warning system with regard to major changes, proposed by some speakers, he noted that in the past six years the post adjustment index of Geneva had remained consistently lower than its pay index, and that measures should be considered to prevent such a gap from accumulating for so long, perhaps by instituting annual reviews of the post adjustment multiplier and adjusting them up or down, rather than the current system of adjusting only upward, for salary increases, but freezing when the adjustment indicated salary reductions.

With regard to the claim of a lack of transparency in the post adjustment process, Commission members pointed out that the post adjustment system was the most transparent salary adjustment system run by any Member State or comparator organization, such as the European Commission, the Coordinated Organizations or the World Bank. In particular, it allowed for stakeholder scrutiny and participation, including stakeholders who stood to benefit from the results produced. For instance, for the 2016 baseline cost-of-living surveys, representatives of organizations and staff federations attended sessions of the Advisory Committee on Post Adjustment Questions and the Commission and participated in the discussions and were fully aware of the considerations that led to the Advisory Committee's recommendations and the Commission's decisions. Stakeholders identified the outlets from which price data were collected and were responsible for the overall coordination and management of the entire survey process, including the recruitment of local experts to facilitate price data collection and the appointment of monitors to observe the price data collection exercise. They

appointed statistical experts to review the analysis of the survey data conducted by the secretariat and to present their findings to the Advisory Committee prior to the results being finalized. In the light of that level of stakeholder participation and scrutiny, the Commission expressed surprise at the claims by Geneva-based organizations and staff federations of a lack of transparency.

In summary, the secretariat found that the Geneva statisticians' findings were based on a limited knowledge of the post adjustment index methodology and its institutional setting. The team made liberal use of alternative and unilateral assumptions at variance with the approved methodology, to arrive at different results that were then used to question the application of the approved methodology by the secretariat. It should be clear to all concerned that different methodological assumptions would lead to different results. It should also be noted that the Geneva statisticians made a forceful advocacy for the use of expenditure weights in the calculation of the rent index, but then used in their calculations the International Service for Remunerations and Pensions market rent data (in other words, prices), presumably another proxy for expenditures that, one might argue, would be even more biased than quantity weights, as many past studies had shown that staff expenditures on rent were significantly lower than the International Service for Remunerations and Pensions market rents, with average staff reported rents as low as half of the International Service for Remunerations and Pensions average rents for some dwelling types for some duty stations. The secretariat therefore did not see any merit in implementing the methodological proposals of the Geneva statisticians, especially after demonstrating that it correctly and faithfully applied the approved methodology in deriving the results of the 2016 cost-of-living surveys at headquarters duty stations and Washington, D.C., as recommended by the Advisory Committee at its thirty-ninth session, and ratified by the Commission, at its eighty-fourth session, The secretariat found problematic the fact that each of the Geneva statisticians' proposals tended to be favourable to Geneva. It pointed out several examples in the development of the post adjustment index methodology when a statistically valid proposal was not adopted because it was found to be optimal for one or some duty stations but disadvantageous to the overwhelming majority of duty stations. The secretariat, however, expressed support for an evaluation of all proposals not only for technical merit but also for system-wide implications, under the auspices of the Advisory Committee, in accordance with the ICSC's standard procedures for the continuous development of the post adjustment index methodology.

While acknowledging the reaction of both staff and administrations of Geneva-based organizations to the impact of negative results of the survey on staff salaries, Commission members reiterated their unanimous view that the secretariat implemented the post adjustment methodology correctly and suggested that the discussion proceed to implementation mechanisms. They emphasized that purchasing power parity of salaries across the United Nations common system should be at the heart of the discussion about post adjustment. They stated that the large gap between the prevailing pay index and underlying post adjustment index for Geneva was evidence that the survey results, even though negative, were nevertheless credible. However, it was appropriate for the Commission to consider the ramifications of the results and devise a solution that would mitigate the impact of the negative results on the salaries of Geneva staff but at the same time not overly distort the purchasing power of salaries across the entire system.

Some Commission members acknowledged the dilemma about what else to do as regards the survey results it had approved for implementation at its eighty-fourth session, in view of the reaction of Geneva based organizations and staff federations. They suggested that the Commission consider a modification of the gap closure measure, incorporating measures to mitigate the impact of the severely negative survey results on staff salaries. They stated that the Commission had a subsidiary body, namely the Advisory Committee on Post Adjustment Questions, to deal with technical matters such as the issues before the Commission. They stressed that the Commission had full confidence in the work of the secretariat and the Advisory Committee on methodologies that were underpinned by noble

principles. However, there was room for improvement in the methodology and the required work could be designated to a committee of statisticians under the auspices of the Advisory Committee. They suggested that the Commission accept the suggestions to exercise maximum transparency in the application of the methodology, adding that even if the post adjustment index calculation and application were perfect, it would still not be desirable for it to produce large salary reductions and so the Commission should consider reinstating mitigation measures to cushion the impact of negative survey results on salaries of staff.

Some Commission members also suggested the establishment of an early warning system in cases of negative trends in the evolution of post adjustment so staff could better prepare themselves for the impact of negative survey results. They again stressed that the work carried by the Commission was serious work, carried out under a legal framework and mandate; and the calculation of the post adjustment index in order to achieve purchasing power parity of salaries was part of that mandate. They added that the purpose of the post adjustment index methodology was to maintain purchasing power parity of salaries across duty stations; not to keep pace with inflation at any particular duty station. The Commission had an obligation to implement the results of the methodology that had been reviewed and approved and considered lawful. However, it was appropriate to devise transitional measures to enable staff to adapt to the lower salary level. There was a need to promote transparency by providing further clarifications to organizations and staff federations, about how the methodology was applied to arrive at the results, and also to help legal departments to better defend and uphold the Commission's decision in case of legal challenges.

Commission members reiterated their view that the post adjustment index was based on a sound statistical methodology, a fact that had been affirmed repeatedly through many reviews, including the recent comprehensive review of the United Nations compensation package. The post adjustment index was calculated not just to suit the circumstances of Geneva, but to ensure parity of the purchasing power of salaries paid at all duty stations relative to the base city (New York). They stressed that the secretariat conducted the surveys in line with the approved methodology, adding that if the methodology was valid and it was applied correctly, then the results should be accepted. They emphasized that the guidelines and procedures governing the secretariat's survey process were the most transparent of any organization and therefore rejected assertions to the contrary. They found the report of the Geneva statisticians not relevant as it was based on the application of a different methodology to arrive at different results from those of the secretariat. They stated that the post adjustment system methodology was subject to continuous improvement through the work of the Advisory Committee with the full participation of representatives of administrations and staff federations of United Nations common system organizations. However, it had to be remembered that methodological reviews related to cost-of-living measurement should not be expected to always lead to positive results. They added that the clarifications provided by the secretariat with respect to the methodology and its implementation were satisfactory, and expressed confidence in the Commission's ability to devise appropriate measures to mitigate the impact of the negative results on staff salaries. While acknowledging that there was room for improvement in the post adjustment methodology, they questioned why some of the stakeholders finding fault with the methodology did not participate in its development before it was approved, instead of waiting until the results of that methodology were published, before criticizing it.

Results of the baseline cost-of-living surveys for 2016 for London, Madrid, Paris, Rome and Vienna

The secretariat presented the recommendations of the Advisory Committee on Post Adjustment Questions with regard to the results of pending baseline cost-of-living surveys in headquarters duty stations, namely those covered by the European Comparison Programme, following the analysis of

data collected during the special price survey conducted by the secretariat in Brussels and related studies. The primary objective of the survey was to assess the impact of methodological differences between the ICSC and European Comparison Programme survey systems on the prices collected. The Brussels price survey was conducted under the ICSC methodology, and the price data collected was compared with those of the European Comparison Programme in order to estimate a survey transition factor, which was then used to adjust the post adjustment indices based on the European Comparison Programme data. Since the European Comparison Programme price data collection methodology was uniform across all covered duty stations, the Advisory Committee agreed that the secretariat needed to do the price survey in only one covered duty station. Brussels was chosen for the exercise because of the strong institutional relationships between the Belgian national statistics institute and Eurostat, which was one of the partner agencies working collaboratively with the ICSC secretariat, including through the exchange of statistical information.

On the basis of the above considerations, the Advisory Committee recommended that the Commission approve the results of the baseline cost-of-living surveys for 2016 for all headquarters duty stations covered by the European Comparison Programme as adjusted by the survey transition factor. Furthermore, the Advisory Committee emphasized that the survey transition factor was intended to be temporary and therefore recommended that the secretariat conduct the research and analysis necessary for direct comparisons of price data collected by the ICSC and European Comparison Programme survey systems without the need of adjustment by a survey transition factor by the next round of surveys. Finally, in view of the complications introduced by the use of European Comparison Programme data, and other possible sources of non-sampling errors inherent in any survey process, the Advisory Committee recommended that the Commission consider granting a reasonable margin of error for the results of all surveys conducted under the round for 2016 that were significantly lower than the prevailing pay index.

In addition, the secretariat explained that the concept of the survey transition factor was proposed and discussed at the thirty-ninth session of the Advisory Committee on Post Adjustment Questions due to comparability issues observed between the European Comparison Programme and the ICSC price data collection approaches during data processing. The choice of Brussels, being the base of the European Union salary adjustment system, offered a unique opportunity for the secretariat to leverage the institutional relationship and capacity that was available from Eurostat as well as the Belgian national statistics institute. The difference in the methodologies between ICSC and the European Comparison Programme, as captured by the survey transition factor through the Brussels survey, would be applicable to other European Comparison Programme-covered duty stations due to the fact that the European Comparison Programme methodology in price data collection applied in Brussels was uniform across countries covered by the European Comparison Programme. The secretariat pointed out that primary price parities were calculated by using duty station specific European Comparison Programme prices, in the comparison with New York, which, after the application of the survey transition factor, captured the underlying characteristics of their respective markets. Staffing levels in Brussels were not expected to introduce any geographical bias, nor were they relevant to the estimation of the survey transition factor, given that the Brussels survey was a price survey which did not involve the collection of expenditure information from staff.

The secretariat added that while price data collection was known to be more challenging for particular items such as clothing, the methodology was specifically developed to address such problems and was the same across all the European Comparison Programme duty stations. Given its similarity with the estimate proposed by the secretariat at the thirty-ninth session of the Advisory Committee on Post Adjustment Questions, and the estimate based on a comparison of the European Comparison Programme data for Bern versus ICSC data for Geneva, the secretariat considered that the calculated survey transition factor was a reasonable estimate of the differences in the two price survey

approaches. Furthermore, the secretariat drew the attention of participants to the view of the Advisory Committee, which unanimously underscored the faithfulness of the application of the methodology by the secretariat as was recommended by the Committee and approved by the Commission, adding that the methodology was sound, robust and replicable, as shown by the similarity of the survey transition factors produced by three different analyses (Brussels, Geneva/Bern and its initial estimate based on average results) conducted by the secretariat. While recommending its use for the 2016 round, members of the Advisory Committee reiterated that the application of the survey transition factor should be temporary in nature only for this round and asked the secretariat to conduct further studies so that the survey transition factor would not be required in the next round of surveys. Regarding questions about the unfair inflation of the cost of living in New York, the secretariat pointed out that the list of outlets used for price data collection in New York was developed by the local survey committee, comprising representatives of administrations and staff associations of New York based organizations. All other data and inflation factors were obtained from external sources. Thus, the only possible source of bias in terms of the price data collected by the secretariat could only come from the list of outlets developed by the local survey committees, not from any deliberate action by the secretariat.

The Commission expressed the view that the mechanism of adjustment of the post adjustment indices of European Comparison Programme-covered countries by way of the Brussels survey and related studies was carried out in accordance with the recommendation of the Advisory Committee, and therefore the Commission was prepared to approve the results for those duty stations. The Commission, however, took note of the concerns expressed by organizations and staff federations about the comparability of the European Comparison Programme and ICSC price data sets and requested the secretariat to pursue further analysis and studies to either completely align the two systems in a manner that would allow direct price comparisons without use of the survey transition factor, or to pursue other options for obtaining comparable price data, by the next round of surveys.

In setting the agenda for the next session of the Advisory Committee, the Commission took into consideration the urgency of the review of the methodology underlying the post adjustment system, as suggested by many stakeholders during the discussions of the results of the baseline cost-of-living surveys at headquarters duty stations. It was agreed that this review would be a high priority on the agenda and would be undertaken in collaboration with representatives of organizations and staff federations. It was also agreed that such a review would benefit from the assistance of a consultant external to the United Nations common system. As part of this review, the secretariat would provide the report of Geneva statisticians, as well as the ICSC secretariat's response to it, to the Advisory Committee, at its fortieth session. Items to be considered for review by the Advisory Committee as part of the preparations for the next round of surveys, would include the methodology for measuring various sub-components of the housing index, and a progress report on the secretariat's work on ensuring comparability between the European Comparison Programme and ICSC price datasets. A summary of the items on the agenda is provided in annex II of document ICSC/85/R.13.

On the methodological aspects of the baseline cost-of-living surveys for 2016 at headquarters duty stations and in Washington, D.C., the Commission decided to:

(a) Reaffirm that the collection and processing of the data from the baseline cost-of-living surveys for 2016 were carried out by the secretariat in accordance with the approved methodology;

(b) Take note of the findings in the documents prepared by the Geneva statisticians, and of staff federations, on various aspects of the post adjustment methodology, and the secretariat's response to

those findings, and to provide both documents to the Advisory Committee on Post Adjustment Questions;

(c) Request the Advisory Committee to continue its work on improving the methodology underpinning the post adjustment system, in collaboration with representatives of administrations and staff federations of the United Nations common system.

On the results of baseline cost-of-living surveys in London, Madrid, Paris, Rome, and Vienna, the Commission decided to:

1. Approve a margin of 3 per cent to be added to the results of all cost-of-living surveys conducted under the round for 2016 that are lower than the prevailing pay index by more than 3 per cent, in view of the recommendation of the Advisory Committee's at its resumed thirty-ninth session;
2. Approve the results of the baseline cost-of-living surveys for 2016 for London, Madrid, Paris, Rome and Vienna, as recommended by the Advisory Committee, and summarized in the table below:

Summary of the results of the cost-of-living comparisons for 2016 between New York and London, Madrid, Paris, Rome and Vienna, as of the respective survey dates

		As of survey date Survey post adjustment index [2016 system]	Updated post adjustment index [2010 system]	Difference (percentage)
Duty station	Survey month (2016)	1.	(2)	(1)/(2)
London	September	159.6	159.9	-0.2
Madrid	September	121.9	128.3	-5.0*
Paris	September	140.3	141.8	-1.1
Rome	October	127.9	133.2	-4.0*
Vienna	October	136.1	136.4	-0.2

The Commission decided:

(a) That the results for these five duty stations be implemented on 1 August 2017, taking into account inflation and exchange rate fluctuations between the survey date and the date of implementation of the results;

(b) To change the implementation date of the results of the cost-of-living survey in Geneva for 2016 from 1 May 2017 to 1 August 2017, in order to align the date of implementation with that of the other two duty stations for which the gap closure measure will be triggered (Rome and Madrid).

On the implementation of the results of cost-of-living surveys conducted in the round for 2016

Taking into account the appeals by representatives of organizations and staff federations, the Commission decided to approve the following modification of the gap closure measure, an operational rule designed to mitigate the negative impact on salaries of the results of cost-of-living surveys that are significantly lower than the prevailing pay indices:

(a) In accordance with the Commission's decision in para. 76 (a) of document ICSC/85/R.13, the post adjustment index derived from the survey (updated to the month of implementation) is augmented by 3 per cent to derive a revised post adjustment multiplier for the duty station;

(b) The revised post adjustment multiplier is applicable to all Professional staff members in the duty station. Existing staff members already at the duty station before the implementation date of the survey results receive the revised post adjustment multiplier, plus a personal transitional allowance;

(c) The personal transitional allowance is the difference between the revised and prevailing post adjustment multipliers. It is paid in full for the first six months after the implementation date; and adjusted downward every four months until it is phased out;

(d) During an adjustment month, the new personal transitional allowance is calculated by taking the difference between the prevailing pay index and the pay index applicable to existing staff (that is, the prevailing pay index plus the existing personal transitional allowance), reduced by 3 per cent.

The Commission decided to request the secretariat to continue to pursue further analytical studies aimed at assessing the comparability of price data collected under the European Comparison Programme with those collected by the ICSC secretariat. It also requested the secretariat to identify other sources of comparable price data by the next round of surveys.

2018 **86th session (March):** The Commission considered the report of ACPAQ (ICSC/86/R.5) on its work at its fortieth session. The report included recommendations of the Committee with respect to the review of the post adjustment system from an external, independent consultant, as well as several issues regarding the housing component of the post adjustment index, and the secretariat's work on building a price database for New York based on the survey methodology of the European Comparison Programme (ECP).

Commission members noted the high degree of complexity in the current post adjustment system methodology, which might have been required to deal with high volatility in the international economic environment since the departure from fixed exchange rate regimes under the gold standard, in favour of the current floating regime in which currencies fluctuate relative to each other. While they had confidence in the secretariat's competence in operating the post adjustment system and determining the post adjustment multipliers for all duty stations, they stressed the need for increased interaction and inclusive cooperation among all stakeholders, including within the Commission, to ensure transparency and trust in the results produced by the post adjustment methodology. They pointed out that simplicity and clarity were clearly needed for the post adjustment system to be understood by all stakeholders. They expressed support for the call for a holistic review of the post adjustment system that addressed the many questions and issues raised, so that organizations and staff could understand and accept the results. They also stated that perhaps the Noblemaire Principle needed to be revisited since many of these issues appeared to emanate from it.

The Chair of the Commission reassured participants that efforts were being made to make the methodology more accessible to all stakeholders, and that collaboration with stakeholders was in fact taking place within the secretariat. He agreed that difficult issues needed to be conveyed in a manner that was understandable and promised that the secretariat would continue with this effort to improve the communication between the ICSC, staff federations and the organizations. However, he pointed out that the technical/methodological issues should be treated separately from operational ones. Technical issues should be dealt with in a collaborative way, among experts from all stakeholders or even external players.

The Chair of the ICSC informed the Commission about informal meetings and exchanges between Geneva statisticians and the ICSC statisticians that had taken place after the formal discussions of ACPAQ, to share ideas and discuss issues of disagreement about the methodology. Such interactions and exchanges should be continued to narrow remaining differences on technical issues. The Chair also reiterated the need and indeed the ICSC's obligation to be transparent in this process. In responding to a follow-up question on the status of the preparation by the ICSC secretariat, of the methodological manual covering the current round of surveys, the Chair clarified that the manual was well under way, to be available soon. He also mentioned that there were many other tools and documents already available on the ICSC website. He noted however that both communication and methodology development were not to be left for the secretariat alone, but a collaborative effort involving all stakeholders.

Review of the post adjustment system methodology: report of the consultant

Members of the Commission and participants welcomed the Consultant's report and acknowledged that the report provided pertinent and useful proposals and recommendations geared towards the improvement of the post adjustment system as a whole. Representatives of some organizations and the staff federations noted however, that the consultant's report, even though wide in scope, did not address many serious issues related to the organization of the 2016 baseline cost-of-living surveys and the results they generated, since it was produced within the boundaries set by rather restrictive terms of reference. A member of the Commission pointed out that the consultant had not addressed the issue raised by the Geneva statisticians. The representative of the HR Network noted that the expert did not consult with the organizations and limited himself only to the information and data provided by the ICSC.

Members of the Commission concurred with the need for an effective communication strategy between the ICSC secretariat and the various stakeholders, including organizations and staff federations, who, in turn, needed to explain to their constituents the results of the surveys and other aspects of the post adjustment methodology and its operational rules and procedures. Such a strategy would include inter alia, detailed and clear explanations of survey results, better documentation explaining the post adjustment system and the intricacies of its methodology, with various degrees of detail for the various audiences. A member of the Commission noted that the conceptual terms, and the theoretical underpinning of purchasing power parity in the post adjustment context needed to be clarified and clearly communicated in plain and simple terms, to be understood by various audiences including those with non-technical background. He added that, had these theoretical underpinnings of post adjustment system been clarified and communicated, there would likely not have been such attacks on the methodology. The reporting on the cost-of-living surveys and resulting post adjustment indices, while useful were not sufficient, and there was a real and urgent need to demystify the whole post adjustment system. He finally noted that for an implementation strategy for such demystification, a constant, mutually reinforcing feedback mechanism needed to be pursued and maintained.

Commission members also pointed out that the GA resolution was clear with regard to the implementation of the results of the 2016 round of surveys. Among other things, it called upon "United Nations common system organizations and staff to fully cooperate with the Commission in the application of the post adjustment system and implement its decisions regarding the results of the cost-of-living surveys…". It also requested "the Commission to recommend appropriate measures to deal with organizations which do not cooperate fully with the Commission…".

The calculation of the rent index for group I duty stations

Discussions on the calculation of the rent index for group I duty stations revolved around two major aspects of the methodology, namely the use of ISRP market rent data, and the use of quantity weights (rather than expenditure weights) in the aggregation of different dwelling class rent relativities.

Regarding the use of quantity/democratic weights as opposed to expenditure weights, the secretariat highlighted that ACPAQ members had strongly supported the quantity/democratic weights on the basis of the context of an individual's salary adjustment. Regarding the results of the comparative study, even though rent indices calculated under the plutocratic approach were higher, the overall impact on the post adjustment index was significantly lower. Also, by factoring the use of size adjustment factors introduced by the secretariat, the end results were virtually equivalent for both approaches.

Treatment of housing related expenditures for homeowners

Members of the Commission and participants in general acknowledged the secretariat's efforts in devising a statistically sound method for the imputation of rent data for homeowners. Regarding the use of expenditure data from home-owners, a member of the Commission asked whether there was a risk in comparing mortgage payments (often contracted years earlier) against current costs in the measurement of current cost-of-living. The secretariat responded that such risk indeed existed, as comparability regarding mortgage markets was difficult, adding that this was the reason rent imputation models were used to obtain rent equivalents reflecting current expenditures for home-owners. The secretariat added that this approach used by the ICSC secretariat was also used by many well-known institutions engaged in cost-of-living measurement, as mortgages were viewed as investment rather than a pure consumption expenditure. In conclusion, there was consensus among Commission members and participants in general, that the proposed imputation method was complex and required further assessment with respect to the practicability of its application on a larger scale. They also agreed that other non-rent housing costs, including utilities and facilities, should be collected from homeowners and used in the computation of the housing weight, with effect from the next round of surveys.

Estimation of the housing index for duty stations with small populations

Members of the Commission, organizations and staff federations, acknowledged the secretariat's efforts in devising a statistically sound method for the estimation of the housing index for duty stations with small staff populations, providing a substantive value added with regard to the stability of the housing index, that would be worth pursuing in the future. Participants expressed concern, however, regarding the labour-intensiveness that such procedures might involve in full production mode, as well as the possibility of obtaining a housing index which did not accurately reflect current housing costs.

Progress report on the secretariat's work on building a European Comparison Programme (ECP) comparable New York price database

Commission members agreed that in light of the well-known differences between the ECP and ICSC survey systems, it was prudent to suspend the use of ECP price data for post adjustment index calculations for covered group I duty stations until the ongoing efforts to develop or acquire a price data base for New York based on ECP survey methodology bear fruit. The secretariat should continue such efforts in collaboration with Eurostat and ISRP. The representative of CCISUA sought clarification on the role of ISRP in the review given that the ISRP was also a data provider to the ICSC. The secretariat clarified that the ISRP was a partner agency with which the ICSC worked closely in terms of sharing statistical data and methodology under a Commission-approved Memorandum of Understanding. Its role was much more than data provider, as its representatives were

on hand during ACPAQ meetings to provide clarifications on any aspect of the ISRP's methodology for market rent data collection and other aspects of purchasing power parity calculations.

Agenda for the forty-first session of ACPAQ

An annotated list of items considered by all stakeholders as among the highest priority in the impending comprehensive review of the methodology underpinning the post adjustment system, was presented and elaborated by the secretariat. The Commission took note of the list of items, as shown in annex III of document ICSC/86/R.9/Rev.1 and requested the secretariat to develop a project management plan for the entire review process and submit it for consideration by the Commission at its eighty-seventh session. The agenda for the forty-first session of ACPAQ would be approved after the Commission's consideration of the project management plan.

- On the Review of the post adjustment system methodology: report of the consultant, the Commission decided to:

(a) Endorse the recommendations contained in the consultant's report, with respect to areas of possible improvement of the methodology underpinning the post adjustment system, as outlined in the report of the Advisory Committee;

(b) Request the secretariat to develop a project management plan for a comprehensive review of the methodology underpinning the post adjustment system, based on the Commission-endorsed recommendations of the consultant, and the Advisory Committee, in collaboration with organizations and staff federations, including timelines, roles of key 25 ICSC/86/R.9/Rev.1 stakeholders, and resource implications, to be submitted for the Commission's consideration at its eighty-seventh session;

(c) Invite representatives of staff and the organizations to contribute to the technical work of the secretariat by sharing their statistical expertise through approaches, such as ad hoc task forces, as determined by the Commission at its eighty-seventh session;

(d) Approve the annotated list of items considered by all stakeholders as among the highest priority in the proposed review of the post adjustment index methodology as shown in annex III;

(e) Set the agenda of the forty-first session of ACPAQ at its eighty-seventh session, after review of the project management plan mentioned in (b) above;

(f) Conduct a review of the operational rules governing the determination of post adjustment multipliers in a working group as soon as practicable, with full participation of organizations and staff federations.

- On Additional issues related to the housing component of the post adjustment index, the Commission decided that:

(a) Non-rental housing expenditure information should be collected from home-owners from the next round of surveys, and used in the calculation of:

i. The housing weight for all duty stations;

ii. Cost ratios used in the determination of the housing index for group II duty stations, whenever a uniformly applicable price ratio approach was not available, in accordance with a future review of the methodology of the housing component for group II duty stations.

(b) The secretariat should continue its research into methodology for deriving a more stable estimate of the housing index for group II duty stations with small staff populations, subject to other higher priority items in the comprehensive review of the post adjustment system.

- On the development of a price database for New York-based on European Comparison Programme specifications, the Commission decided that the secretariat should:

(a) Suspend the use of ECP average price data for post adjustment index calculations for covered group I duty stations, with immediate effect, until a fair price comparison could be assured through the development or acquisition of a price database for New York based on ECP survey methodology;

(b) Continue its efforts, in collaboration with Eurostat and the International Service for Remunerations and Pensions, to:

i. Obtain or develop a price database for New York based on the European Comparison Programme survey methodology;

ii. Improve the comparison of European Comparison Programme price data obtained for covered group I duty stations with the use of equivalent price data collected for New York;

iii. Develop a method of quantifying the differences in the comparability of traditional ICSC price surveys and European Comparison Programme price surveys and submit it for evaluation to the Advisory Committee.

87th session (July): Pursuant to article 11 of its statute, the Commission continued to keep under review the operation of the post adjustment system, and, in this context, considered a status report on its review, prepared by the secretariat. The review of the post adjustment system was mandated by the Commission at its eighty-sixth session, after consideration of the recommendations of the Advisory Committee on Post Adjustment Questions (ACPAQ). These recommendations were based on the discussions at the fortieth session of the Committee (ICSC/40/R.7), on the report of a consultant appointed by the Commission to assess the fitness for purpose of the methodology underpinning the post adjustment system and to identify areas for its improvement.

The status report included information about recent trends in the post adjustment system, with regard to factors influencing the evolution of salaries, including results of recent cost-of-living surveys, movements in market rents, consumer price indices, and exchange rates, and the gap between post adjustment and pay indices. It also covered a project management plan for the conduct of the review, which included such details as work areas and modalities, timelines, and resource implications. The project management plan covered virtually all aspects of the post adjustment system, from the methodology for the compilation of the post adjustment index to operational rules used in the determination of the post adjustment multiplier.

The secretariat proposed consideration of the following areas of work considered by stakeholders as the highest priority for review as part of the preparations for the 2021 round of surveys: (a) The conceptual basis of the post adjustment index; (b) The housing component, for both group I and group II duty stations; (c) The system of operational rules; (d) Selected pricing issues; (e) Specific procedures and guidelines related to data collection and to the implementation/dissemination of survey results; (f)

Various internal processes; (g) Documentation; (h) Studies on the medical insurance component of the post adjustment index.

The secretariat clarified that other areas of the post adjustment system that received lower priority among stakeholders would be considered at a later stage. In the case of some specific areas, for example for studies on the measurement of a price index for the medical component of the post adjustment index, or for the development of enhanced IT systems implementing some recommendations of the consultant, the secretariat indicated that more clarifications and discussions among stakeholders were needed before a detailed plan could be prepared. The project management plan proposed the establishment of task forces to address matters of a technical statistical nature and a working group, to address matters of a compensation policy or salary management nature. Reports and recommendations of task forces would be first evaluated by ACPAQ before being submitted to the Commission for consideration, whereas those of working groups would be submitted directly to the Commission for consideration.

On the housing component, the secretariat clarified that the housing component studies to be conducted under the plan would expand previous analyses, based on additional cost-of-living data to be collected under the 2016 round of surveys. Results of these studies would be submitted to the forty-first session of ACPAQ and reviewed by all stakeholders prior to the meeting. The secretariat further clarified that differences in trends of rents between the International Service for Remunerations and Pensions and local statistical offices were normal, as the former covered a much more specific subset of rental markets than the surveys conducted by local authorities. Its objective was to achieve fair spatial comparisons at the same point in time, while that of local statistical offices was to estimate temporal changes in rents in the same location. The International Service for Remunerations and Pensions had been selected as a source of market rent data, upon the recommendation of ACPAQ, after a competitive bidding process including a number of candidate providers of market rent data, whose methodologies were carefully examined by ACPAQ.

Members of the Commission expressed appreciation for the project management plan that provided for more active collaboration of all stakeholders, a clear sign of its willingness to work collaboratively with stakeholders, adding that this approach would improve transparency and engender trust in the post adjustment system and its outcomes. The use of specific task forces and working groups to undertake activities outlined in the respective terms of references, was appropriate, given the highly technical nature of the issues under review. They acknowledged the possibility of participation in the review of external experts representing stakeholders, if sufficient expertise was not easily available among United Nations common system staff. They stressed that under article 11 of its Statute, the Commission bore the ultimate responsibility for final decision making on post adjustment matters. They also indicated that the terms of reference of ACPAQ, which has the mandate to certify the methodological soundness and fitness for purpose of the post adjustment system, should be reviewed in view of the concerns about rejuvenation of the Committee expressed by some stakeholders.

Members of the Commission took note of the progress made so far in the review of the post adjustment system and trends in its operation across the United Nations common system, and support for the high priority given in the project management plan to such issues as the review of the conceptual basis of the post adjustment index, the housing component studies, and the review of the operational rules, in particular, preventing the growth of the gap between the post adjustment index and the pay index, as had happened for Geneva. They stated that, given the importance of post adjustment in the overall compensation of staff, adequate time should be devoted to the review of its underlying methodology. They noted that the significance of post adjustment was linked with its large size as a proportion of the net base salary, which had not significantly increased for several years, adding that if the base salary was higher, the relative importance of post adjustment on the overall staff pay would decrease. They

also advocated for a post adjustment system that would better manage staff expectations on this issue, since post adjustment was a component of compensation that could increase but also decrease, according to economic circumstances.

Commission members recalled that the post adjustment system operational rules had also been reviewed at the beginning of the comprehensive review of the compensation package. They noted that the secretariat provided a very detailed plan for the review, which was useful for both learning the subject matter and for guiding the work on its revision, but that at a time that institutional knowledge on post adjustment matters was shifting, it was appropriate for all Commission members to be provided a common base of knowledge and understanding on the post adjustment system methodology and operational rules. The Chairman of the Commission pointed out that the annual regional workshops conducted by the Commission, including a module on the post adjustment system, could be a model for implementing this proposal.

The Chair of the Commission stated that it was the responsibility of the secretariat to develop position papers, documentation, and options for meetings. However, to provide for the stakeholders' participation in the review of the post adjustment system, the usual working arrangements of the secretariat had been adjusted in the project management plan. He called for a holistic approach in the review process, citing as an example, the excessive focus on stability of remuneration under current operational rules to the exclusion of the underlying cost-of-living measure, led to the undesirable development of a large gap between the post adjustment index and the pay index in duty stations such as Geneva.

In summarizing the discussion, the Chair reminded participants that the objective of the review was to

develop a system that was an improvement on the current one, adding that to start the required work, the Commission needed to approve the terms of reference of the working group on the review of operational rules, the task force on the review of the conceptual basis of the post adjustment index, and the agenda of the forty-first session of ACPAQ. The terms of reference were extensively discussed, and various issues pertaining to the role of the secretariat, other stakeholders, and the partner agencies and other subject matter experts, work modalities and duration, were resolved in a manner that addressed the concerns of stakeholders. While maintaining the Commission's overall responsibility for the post adjustment system, as specified in its Statute, the project management plan provided for the active participation of all stakeholders in both development and result verification phases of the review. The Chair therefore called upon all stakeholders to work together collaboratively in order to achieve the desired goals of the review of the post adjustment system. The Commission approved the terms of reference on the task force on the review of the conceptual basis of the post adjustment index as shown in annex II of document ICSC/87/R.13, as well as the terms of reference on the working group on the review of the operational rules in annex III of document ICSC/87/R.13. It also endorsed the project management plan proposed by the secretariat. Furthermore, the Commission approved the agenda for the forty-first session of ACPAQ as set out in annex IV of document ICSC/87/R.13. The HR Network noted from the discussion that the project management plan was a good starting point but should be considered a living document that could be adjusted as deemed appropriate in the course of the review. The Commission concluded the discussion by calling for the active cooperation of all stakeholders in the process of reviewing the post adjustment system.

The Commission decided to:

(a) Approve:

i. The proposed project management plan for the review of the post adjustment system;

ii. The proposed agenda for the forty-first session of ACPAQ;

iii. The terms of reference of the task force on the review of the conceptual basis of the post adjustment index;

iv. The terms of reference for the working group on the review of operational rules for determining the post adjustment multiplier.

(b) Call for the active cooperation of all stakeholders in the review of the post adjustment system.

SECTION 2.1.72
RENTAL SUBSIDY

1978 **7th session (February/March):** The Commission decided, under article 11 of its statute, to approve the introduction of the following rental subsidy scheme for field staff as a part of the post adjustment system: (a) subsidies should be available only to staff serving in locations outside Europe and North America; (b) no subsidy should be payable with respect to that part of rent which fell within 20 per cent of the staff member's income (defined as net salary plus post adjustment plus assignment allowance); (c) as a disincentive to acquiring unnecessarily expensive lodging because subsidies existed, no subsidy should exceed the value of 40 per cent of the rent, i.e., the staff member would always be responsible for at least 60 per cent of the rent; (d) for reasons of administrative economy, any calculated subsidy of less than $30 per month should be disregarded; (e) within these overall limits, there would be two formulae: (i) the generally applicable provision would be a subsidy of 80 per cent of the rent which was in excess of a threshold amount to be established by ICSC, as at present, for each duty station and size of dwelling, calculated normally at about 130 to 135 per cent of the level of rent on which the post adjustment class was based; (ii) the subsidy payable to staff members at grades P-1/I through P-3/VII (the step below P-4/I), would be the higher of: either the amount computed as per (i) above, or 80 per cent of that part of the rent which exceeded 25 per cent of income; (f) the subsidy would be payable upon certification by the senior UN official in the locality that a rental on which subsidy was claimed was for accommodation which was "reasonable" in relation to the staff member's needs and to the conditions of the local market; (g) some exceptions to the general rule would be necessary at those duty stations where the majority of staff members were in government-provided housing and where the rental component of the post adjustment index, based exclusively on government rents, was relatively low, while commercial rents were considerably higher; (h) post adjustment indexes would have to be adjusted to take account of subsidy payments wherever applicable, in order to avoid double counting; (i) some transitional arrangements would he necessary whenever the new system resulted in reduction or elimination of a subsidy already being paid *[A/33/30, para. 255]*.

ICSC agreed to the introduction of the scheme on an experimental basis for an initial period of one year beginning on 1 July 1978. It decided to review its operation at its 10th session (July 1979) with a view to reporting to the GA at its 34th session (1979) on the first 12 months' experience of the functioning of the new scheme *[A/33/30, para. 260]*.

1979 **9th session (February/March):** ICSC decided that the information available from the operation of the experimental subsidy scheme should first be examined by ACPAQ. ACPAQ agreed at its 4th session (May 1979) that the rental subsidy scheme had proved to be a necessary feature of the post adjustment system and should be continued on a more permanent basis. The Committee, however, felt that in its experimental form the scheme had a number of shortcomings and should be somewhat modified and improved *[A/35/30, paras. 229-231]*.

1980 **11th session (February):/March):** ICSC approved, for implementation with effect from 1 July 1980, a revised rental subsidy scheme with the following essential features: (a) subsidies should continue to be available only to staff in the P and higher categories serving in locations outside Europe and North America; (b) as a disincentive to acquiring unnecessarily expensive lodging, in general, subsidies should not exceed 40 per cent of the actual rent, i.e., the staff member should always be responsible for at least 60 per cent. Some exceptions would be necessary at duty stations where the majority of staff members were in government-provided housing and where the rental component of the post adjustment index, based exclusively on government rents, was relatively low, while commercial rents were considerably higher; (c) for reasons of administrative convenience, any calculated subsidy of less than $10 per month should be disregarded; (d) subsidies should be payable only on certification by a senior official of the UN common system in the locality that a rental on which subsidy was claimed

was for lodging which was "reasonable" in relation to the staff member's needs and the conditions of the market; (e) within these overall limits the subsidy would amount to 80 per cent of the rent in excess of a threshold amount, calculated individually for each staff member, based on the threshold percentage figure to be established by ICSC for each duty station; (f) post adjustment indices should be adjusted to take account of subsidy payments, wherever applicable, in order to avoid double counting; (g) the essential facts about each subsidy authorized must be reported to ICSC on a continuing basis until further instructions; (h) some transitional measures would be necessary whenever the new system resulted in reduction or elimination of subsidy; ICSC agreed to transitional measures for a period of one year and decided to examine the question at its 13th session; (i) staff members whose housing was provided by the organization, by the Government or by a related institution either free of charge or at rents substantially lower than the average rents used in calculating the post adjustment index for the duty station should be subject to payroll deductions from their salaries so as to maintain equity in the application of the post adjustment system *[A/35/30, para. 232]*.

1981 **14th session (July):** ICSC noted that there were several proposals concerning the treatment of housing costs in post adjustment placed before it by CCAQ. FICSA had advanced a proposal whereby the rental subsidy scheme at present operational at field duty stations would be extended to all duty stations. As to the study requested by CCAQ, ICSC noted that it would be some time before its secretariat could make an in-depth study of this type. Concerning the FICSA proposal, ICSC noted that the extension of the rental subsidy scheme to all duty stations including New York could possibly affect the margin between UN and US remuneration at the base of the system. It agreed, therefore, to take a step-by-step approach and requested its secretariat to prepare a study of the distribution of rents in major duty stations according to certain parameters *[A/36/30, para. 106]*.

1982 **16th session (July):** ICSC approved a number of ACPAQ recommendations regarding the treatment of housing costs in post adjustment. Both ACPAQ and ICSC considered the problem of housing costs faced by newcomers at some of the duty stations which were excluded from the application of the rental subsidy scheme. ICSC agreed that a working group of two members of ACPAQ together with its Chairman should study the effects of extension of the rental subsidy scheme to duty stations excluded at that time, as regards both the post adjustment index of the base of the system (New York) and the post adjustment of other duty stations and report to ICSC at its 17th session (March 1983) *[A/37/30, para. 131]*.

In **resolution 37/126**, the GA requested ICSC to complete on an urgent basis its study of the need for a rental subsidy arrangement in HQ duty stations, particularly with regard to newcomers and staff transfers, and to report on action taken to the GA at its 38th session.

1983 **17th session (March):** On the basis of a report submitted by an ICSC Working Group *(ICSC/I7/R.9)*, ICSC considered the extension of the rental subsidy scheme to duty stations currently excluded from its application; the Working Group, *inter alia*, had examined the effects of a proposed scheme on the post adjustment indices at various duty stations. The cost benefits of the extension of the rental subsidy scheme were also considered *[A/38/30, para. 40]*.

Following a discussion on the report of the Working Group *(ICSC/I7/R.28, paras. 71 to 79)*, ICSC agreed to the introduction of a rental subsidy scheme for duty stations not currently covered along the lines recommended by the Working Group in its report and, in particular, that: (a) the scheme should be applicable to newcomers and *force majeure* cases only, newcomers being defined as newly appointed staff members with the exception of those holding short-term appointments, as well as staff members transferred from other duty stations. Staff members who had arrived at one of these duty stations within a period of five years prior to the introduction of the rental subsidy scheme would be considered eligible; (b) situations of *force majeure* must be determined solely on the basis of whether

the staff member was obliged to seek new lodgings in the rental market for reasons and circumstances beyond his or her control.

The situations that would qualify as *force majeure* must be limited to: (i) demolition of the building; (ii) forced eviction/repossession by the landlord; (iii) conversion of the dwelling from rental to cooperative or condominium. Cases of relocation resulting from normal rental increases by the landlord and negligence or abuse of the premises by the staff member would not qualify for rental subsidy. Organizations must require appropriate documentation attesting to the circumstances listed in (i) to (iii) above in order to determine *force majeure* eligibility; (c) the subsidy representing the difference between the actual rent and the threshold rent should be paid according to the following formula:

Newcomers	Force maieure
Year 1: 80 per cent	Year 1: 80 per cent
Year 2: 80 per cent	Year 2: 40 per cent
Year 3: 60 per cent	Year 3: 20 per
Year 4: 40 per cent	Year 4 onwards: no subsidy
Year 5: 20 per cent	

(d) other definitions and modalities to be used in the administration of the subsidy scheme should be as for the current field subsidy scheme; (e) the date of implementation of the scheme would be 1 April 1983 *[A/38/30, para. 44]*.

ICSC noted that the scheme would not result in additional financial implications for the common system in view of its impact upon the PA system and could actually result in savings. ICSC requested organizations to send to its secretariat all relevant information relating to rental subsidies at the group of duty stations in question. The data provided would form the basis of a report analysing the operation of the scheme to be submitted to ACPAQ at its 10th session. The question raised by CCAQ of which scheme to apply to certain European duty stations was considered a matter for the normal operation of the scheme as delegated to the Chairman *[A/38/30, paras. 45 and 46]*.

In **resolution 38/232**, the GA: (a) noted the introduction by ICSC, with effect from 1 April 1983, of a rental subsidy scheme for staff in the P and higher categories at HQ and other duty stations not previously covered by a subsidy scheme; (b) requested ICSC to monitor this rental subsidy scheme with a view to ensuring both its equity and its effectiveness.

1985 **22nd session (July):** As recommended by ACPAQ, ICSC approved the establishment of a separate rental deduction threshold at 64 per cent of the rental subsidy threshold ***[A/40/30, para. 141].***

1987 **26th session (July):** ICSC noted that, during the period of a freeze on remuneration levels, the regressive formula on rental subsidy reimbursement levels at HQ locations had meant loss of take-home pay to newcomers whose rents were substantially higher than the average rent taken into account in determining post adjustment. At field duty stations, extremely high rents had inflated threshold levels. ICSC decided that: (a) for determining rental subsidy thresholds at field duty stations, all extreme rents should be excluded by using only those rents defined in the interval as the average rent plus or minus two standard deviations. For the calculation of average rent in determining rental subsidy thresholds at duty stations in Canada, the US, as well as HQ locations and some of the other duty stations in Europe, the rents of staff members who had been at the duty station for less than five years should be excluded; (b) in all locations, a maximum margin of 20 per cent should be applied to rent-to-income ratios on a graduated scale in order to arrive at rental subsidy thresholds; (c) at duty

stations in Canada, the US, as well as at HQ locations and some of the other duty stations in Europe, the reimbursement rates should be frozen during the period of a freeze on the post adjustment in New York. As long as the current freeze on the New York post adjustment continued, the rate of reimbursement should be reinstated as at the date of implementation of these recommendations (1 August 1987) at the level applicable either when the freeze was applied (1 December 1984) or when the officials concerned entered in service, whichever comes later. When the freeze ended in New York, the normal operation of the scheme should be resumed at all duty stations affected and the level of reimbursement below the restored level should be applied for 12 months. Normal phasing-out procedures should be applied thereafter. There should be no retroactive payments [A/42/30, paras. 161 and 162].

ICSC noted that within the framework of the rental subsidy scheme, there were two disincentives that worked against the acquisition of expensive housing only because rental subsidies were available: (a) the average rent-to-income ratios at all duty stations were increased by a regressive margin formula to arrive at the rental subsidy threshold; (b) only 80 per cent of the difference between the actual rent and the threshold rent was reimbursed. To provide relief to staff members at duty stations where low PACs applied, and where staff members paid substantially higher rates than the average rent taken into account in the post adjustment, ICSC decided that, in the case of duty stations where the PAC was equal to the remuneration in New York less the 15 per cent margin, the actual rent-to-income ratios without any adjustment should be used with effect from 1 August 1987 as rental thresholds for the determination of rental subsidies [A/42/30, para. 198].

1990 **31st session (March) and 32nd session (July/August):** ICSC invited the GA to note that, under its statutory authority, it was empowered to take decisions concerning PA and rental subsidy matters. However, its proposals in this area formed an integral part of the overall conditions of service arising from the comprehensive review of conditions of service of the P and higher categories and significant financial implications were associated with these proposals. ICSC therefore considered that it would be appropriate to make recommendations to the GA concerning the treatment of housing within the remuneration system and the revised rental subsidy scheme *[see also section 2.1.130: remuneration structure]*.

ICSC recommended that the treatment of housing within the remuneration system should be improved by a series of measures distinguishing between duty stations where housing could be maintained within the PA system and those where housing should be separated from the PA system. Housing should be maintained in the PA system in Group A duty stations covering HQ locations, North America and Europe and field duty stations where housing comparisons could be made without difficulty. Housing would be excluded from the PA system for duty stations in the field where valid housing comparisons were difficult or impossible. These would constitute Group B duty stations *[A/45/30, para. 95]*.

ICSC proposed a unified revised rental subsidy scheme that would apply at Group A duty stations, both HQ and field locations (at HQ locations, however, the revised scheme would be applied on an experimental basis subject to a full review and modifications as appropriate after 3 years of operation). The following arrangements would apply under the revised scheme: (a) the current regressive reimbursement formula at HQ locations (80, 60, 40, 20 per cent) would be replaced by a uniform 80 per cent reimbursement rate. This rate would remain applicable until the rent/income ratio of a staff member fell to the level of the threshold. Hence, no predefined time-limit would be attached to this benefit and the current 5-year limitation period would be discontinued. The revised entitlements would be instituted for HQ and other North American and European duty stations on an experimental basis and would not be deemed to constitute acquired rights; (b) rental subsidy payments for staff from P-l to D-2 would be subject to maximum reasonable rents which would be set at a point equivalent to three

quarters of the range of rents applicable for the duty station as determined by external sources using specifications based upon the duty station housing standard (see (c) below). Application of this disincentive to acquiring unnecessary and luxurious accommodation would mean the present rule limiting the maximum subsidy to 40 per cent of gross rent would no longer be necessary; (c) housing standards would be developed by the ICSC secretariat for use in connection with the time-to-time updating of housing costs as well as for determining maximum reasonable rents for the housing schemes. The elements of these for each duty station would be based on the following:

(i) application of an appropriate housing standard to relate dwelling size to family size;
(ii) type of facilities - furnished/unfurnished; (iii) type of dwelling - house/apartment;
(iv) location defined to ensure that the ACPAQ criteria as regards security, commuting time, adequacy of public services, etc., were adequately met; (v) quality defined to ensure that any sub-standard dwellings were excluded; (d) a simplified method would be used to calculate threshold levels in the future by adding 2 percentage points to average gross rent-to-income ratios; (e) eligible for rental subsidy payments would be:
(i) those already in receipt of rental subsidy at the time of introduction of the new scheme; (ii) newcomers to the duty station; (iii) those forced to change accommodation owing to changes in the family size; (iv) those forced to move as a result of the deterioration of security in the current location; (v) those wishing to move to housing of an acceptable standard from their current accommodation below the defined standard;
(vi) *force majeure* situations, including forced eviction, demolition, conversion to cooperative/condominium and a combination of unreasonable rent increases linked with a resulting rent/income ratio above threshold levels *[A/45/30, para. 95]*.

1991 By **resolution 45/241**, the GA requested ICSC to examine the functioning of the current rental subsidy scheme for HQ duty stations and to review its proposals for a revised rental subsidy scheme taking into account views expressed by Member States in the Fifth Committee on the need to improve the scheme, without losing sight of its purpose of facilitating the resettlement of new staff members and of encouraging mobility within the common system, and to submit its conclusions and recommendations on the subject to the GA at its 46th session. The GA decided to introduce, with effect from 1 January 1991, as a provisional arrangement, a revision to the current rental subsidy scheme at HQ locations that provided for reimbursement over a 7-year period at the rate of 80 per cent for the first four years and 60 per cent, 40 per cent and 20 per cent, respectively, for the three years thereafter.

34th session (August): ICSC reported to the GA that since the changes which the GA had introduced to the rental subsidy scheme would have a significant impact on the total emoluments of staff benefiting from the HQ scheme, it would seem preferable that the report to the GA should also take the impact of those revisions into account. In order for ICSC to be in a position to evaluate experience with the revised scheme with the changes approved by the GA, the scheme should be allowed to operate for at least one year *[A/46/30, vol. I, para. 14]*.

By **resolution 46/191**, the GA noted the revisions which it had been necessary for ICSC to make to its work programme, thereby delaying the report requested by the GA in respect of a revised rental subsidy scheme, the measurement of the housing element in the remuneration package and the establishment of a pilot project to simulate the operation of ICSC's proposals in a limited number of field duty stations where valid housing comparisons were difficult or impossible. It requested these reports at the earliest opportunity.

1992 **35th session (March):** In response to the request by the GA in resolution 45/241, ICSC undertook a review of the operation of the rental subsidy scheme at HQ duty stations during the period 1983-1991

(ICSC/35/R.5). The review included consideration of proposals for discontinuing the regressive formula and the time-limitation on benefits, as well as a review of eligibility provisions.

ICSC took a number of decisions *(as reflected in para. 47 of ICSC/35/R.17),* but decided to review eligibility conditions in the light of views expressed at the current session and such additional information as may be provided to the 36th session *[ICSC/35/R.17, paras. 38-47].*

36th session (JuIy/August): Following the receipt of further information *(ICSC/36/R.5),* ICSC decided to report the following conclusions to the GA: (a) the HQ rental subsidy scheme focused resources on the lower-graded staff in the P and higher categories; (b) the scheme had been of particular benefit to the field-oriented organizations; (c) the threshold and maximum reasonable rent controls had served to ensure that the scheme operated with due regard to the need for efficient use of resources; (d) the direct costs of the scheme had been modest and the benefits for affected staff and organizations appeared fully to have justified the operation of the scheme; (e) the 7-year limitation period for payment of housing subsidy at HQ duty stations and the related regressive reimbursement formula (80, 60, 40 and 20 per cent) should be maintained as necessary controls in the system; (f) the existing eligibility conditions for rental subsidy payments at HQ duty stations should remain unchanged *[A/47/30, para. 130].*

In **resolution 47/216**, the GA: (a) concurred with the ICSC conclusions; (b) requested ICSC to ensure that the modalities for implementation of the rental subsidy scheme were conveyed to common-system organizations.

1997 **45th session (April-May):** ICSC considered document ICSC/45/R.4 which dealt with the rental subsidy scheme at HQ duty stations. The extended rental subsidy scheme at duty stations in Europe and North America was intended to provide, for a defined period, relief to newcomers to a duty station who were facing much higher rents relative to those paid by staff already settled at the duty station. Over time these subsidy payments were phased out and, in situations of increasing market rents, the system functioned as intended. However, this underlying assumption of monotonic increases in rents was being defied in some duty stations where rents were declining. This decline in rents had resulted in lower rental subsidy thresholds, which, if implemented would increase the subsidy amounts paid to some staff. In view of this development, ACPAQ had felt that there was a need for a system to be devised which could handle increases as well as decreases in market rents.

ICSC approved the following ACPAQ recommendations: (a) in view of the upward and downward movement of rents at some duty stations, ICSC should review the basic principles and elements of the rental subsidy scheme, taking into account its primary purpose, and submit a report to ICSC as soon as possible; (b) in the case of declining rents, rental subsidy thresholds should be frozen at their current levels *[ICSC/46/R.l0, para. 54].*

2000 **52nd Session (July/August)**: ICSC reviewed the rental subsidy scheme in response to a number of problem areas in the scheme's operation. ICSC had at its fifty-first session requested the secretariat to report on progress regarding this matter at this session. ICSC decided: (a) To take note of the information provided by the secretariat; (b) To take note that CCAQ would continue to work with the organizations to resolve pending problems regarding the determination and application of maximum reasonable rents at headquarters duty stations; and (c) To request its secretariat, in cooperation with the secretariat of CCAQ, to complete as soon as possible the collection and consolidation of data on the application and cost of the scheme in the common system and to present detailed information in this regard at an early date.

2003 **56th Session (Mar/Apr):** The Commission considered document ICSC/56/R.6 which dealt with the issue of implementation of rental subsidy thresholds and recommendations thereof by the Advisory

Committee at its 25th session. At the Committee session, the secretariat pointed out that the current practice of establishing final rental subsidy thresholds was based on the assumption that any change in the threshold should not completely offset the effect of the increase in the multiplier for an average staff member. That approach prevented implementation of the new thresholds until an increase in the multiplier had been realized. Even then it would only be a partial implementation of the rental subsidy. The practice led to situations, limited to a number of group II duty stations, where more that 90 per cent of staff were receiving rental subsidy. The secretariat suggested that new procedures should be developed to address the problem. The Committee noted that the problem described existed only at a few group II duty stations and was not widespread.

The Committee recommended that the secretariat should further study the methodology for determining and implementing rental subsidy thresholds and report its findings and recommendations at the next session of the Committee.

The Commission approved the above recommendations of the Advisory Committee (ICSC/56/R.11).

2004 **58th Session (Mar/Apr):** ICSC considered document ICSC/58/R.6 which included the continued review by the Advisory Committee, in its 26th session, of issues related to the procedures for calculating and implementing rental subsidy thresholds.

As noted in the previous session of the Committee, the establishment of final rental subsidy thresholds was subject to the requirement that any change in the thresholds should not completely offset the effect of an increase in the multiplier for an average staff member. It was pointed out that this approach did not allow the implementation of new thresholds that were higher than the existing thresholds, unless they were accompanied by a substantial increase in the multiplier. When an increase in the thresholds was accompanied by a minor increase in the multiplier, a partial implementation of rental subsidy thresholds was made to ensure that there was no loss in net income caused by an increase in rental subsidy thresholds.

The secretariat presented the results of a simulation study designed to test some of the aspects of the rental subsidy thresholds calculation for a duty station, in particular, the sensitivity of the calculated thresholds to the composition of staff at the duty station. The results of the study clearly showed that rental subsidy thresholds vary considerably from one survey to another depending on the composition of the staff members present at the duty station. On the other hand, the variation in the post adjustment index was found to be minimal. The sensitivity of the rental subsidy thresholds to staff composition was found to be more pronounced in small duty stations.

The secretariat pointed out that the low sensitivity of the post adjustment index to staff composition was due to the fact that its calculation was based on an average staff member assumed to be at the P-4, step VI, level with dependants. On the other hand, rental subsidy calculations are based on individual thresholds, which could vary from one survey to another due to changes in rental costs, post adjustment classification of a duty station and, particularly, the composition of staff. If rental subsidy thresholds decrease, the number of staff eligible for rental subsidy, as well as the amount of subsidy, will increase, but any increase in the thresholds has the effect of reducing take-home pay, which is considered an unwelcome outcome by staff members, given the common perception that rental subsidy is part of the so-called “take-home pay”. It was also pointed out that in the absence of justifiable rules for implementing rental subsidy thresholds that are higher than the existing ones, the number of staff receiving rental subsidies at a duty station could easily be much more than half of the total number of staff at the duty station.

In view of the demonstrated sensitivity of the rental subsidy threshold calculations to the composition of staff, the secretariat suggested the following modifications to the existing methodology, which are designed to introduce stability into the calculations and a measure of equity in the purchasing power of Professional staff members:

(a) For small duty stations (with less than 50 staff members), calculate the rental subsidy thresholds assuming that all staff members are at the P-4, step VI, level with dependants. That would be consistent with the basic assumption of post adjustment index calculations and would reduce the fluctuations in rental subsidy thresholds;
(b) Implement new rental subsidy thresholds not at the time of implementation of the place-to-place survey results, but at the time of implementation of the results of the housing survey, usually conducted one year later; and
(c) Introduce an additional constraint in the implementation of rental subsidy thresholds, limiting the proportion of eligible rental subsidy recipients to not more than 50 per cent of the international Professional staff at a duty station.

The Committee decided to recommend to the Commission that the secretariat should conduct further analysis of the methodology of rental subsidy calculations, having regard to the objectives of the scheme, and with the specific aim of determining the full implications of the proposed changes to the rental subsidy scheme, and to report its findings and recommendations at the next session of the Committee. Organizations were also requested to provide to the secretariat data needed for the analysis.

The Commission decided to endorse the above recommendations of the Advisory Committee in respect to rules and procedures for reviewing rental subsidy thresholds (ICSC/58/R.12).

2014 **79th Session (July-August):**

Pursuant to article 11 of its statute, the Commission continued to keep under review the operation of the post adjustment system and in that context considered the report of ACPAQ. Convened as part of the ongoing review of the United Nations common system compensation package, the Advisory Committee undertook a number of pertinent studies at the request of the Commission. The secretariat presented the main findings in the report, which contained several recommendations, including a review of the rental subsidy scheme.

On the basis of information collected from a rental subsidy survey conducted by the secretariat, the Advisory Committee concluded that most of the policies of the Commission regarding the practical implementation of the rental subsidy scheme were being followed by United Nations common system organizations, but recommended that the Commission consider providing further regulation or more precise guidance in relation to some specific aspects of the scheme.

The Committee decided to:

(a) Take note of the analyses and findings presented by the secretariat regarding the rental subsidy scheme, in general, and the issue of trade-off between rental subsidy and post adjustment, in particular;

(b) Acknowledge that a duty station-wide trade-off between rental subsidy and post adjustment could be fully achieved, at neutral cost, by adding a subsidy factor to the calculation formula for the post adjustment index, as illustrated by the secretariat;

(c) Recommend that the modification of the calculation formula mentioned in (b) not be applied, in view of the increased complexity that the change would introduce in the post adjustment system;

(d) Recommend that the Commission request the secretariat to investigate the feasibility of designing a housing assistance grant payable to all newly assigned United Nations common system Professional staff, in lieu of rental subsidy, that would be more transparent and simpler to administer than the existing rental subsidy scheme, while at the same time maintaining a competitive and cost-effective housing assistance element in the United Nations compensation package;

(e) Recommend that the Commission request the secretariat to identify objective criteria for determining which group II duty stations would be suitable for application of the group I rental subsidy scheme; (f) Recommend that the Commission provide guidance regarding the implementation of key features of the rental subsidy scheme that should be harmonized across all organizations and duty stations.

The Commission considered the proposed review of the rental subsidy scheme essential, and the proposed research aimed at identifying conditions for the restoration of the trade-off between post adjustment and rental subsidy for all duty stations important, as it could help to avoid duplication of payments to staff. It was also suggested that the rental subsidy scheme needed to be reviewed, not only from the technical standpoint but also from the point of view of equity, so that both renters and homeowners could benefit from a housing subsidy.

The Advisory Committee concluded that, under the current design of the rental subsidy scheme, there was no longer any trade-off between rental subsidy and post adjustment for the majority of duty stations. As that trade-off was a key feature of the rental subsidy scheme at its inception and considered a sine qua non for any efforts to harmonize the application of the scheme between group I and group II duty stations, the Advisory Committee recommended to the Commission that further research be conducted with the objective of identifying the conditions under which an effective trade-off between rental subsidy and post adjustment could be restored for all duty stations.

The Commission approved the recommendations of the Advisory Committee from its thirty-sixth session, as outlined in the paragraphs above.

2015 **80th Session (March):** The Commission considered the report of ACPAQ on the work of its thirty-seventh session. Convened as part of the ongoing review of the United Nations common system compensation package, as well as the methodological preparations for the 2016 round of cost-of-living surveys, the Advisory Committee reviewed a number of pertinent studies and made a number of recommendations for the Commission's consideration, including one resulting from a review of the rental subsidy scheme in the context of the restoration of the trade-off between rental subsidy and post adjustment was discussed (ICSC/ACPAQ/37/R.7).

The secretariat presented a review of a number of parameters and procedures used in the calculation of the housing weight and the housing index, as well as dealing with such aspects as the determination of theoretical rental subsidy thresholds, partial rental subsidy thresholds, the granting of the waiver of the 40 per cent of actual rent limit on rental subsidy, the determination of rental subsidy thresholds for staff with single status and the margin added to the average rent-to-income ratio. The in-depth review of those aspects showed that the restoration of the trade-off between post adjustment and rental subsidy was not feasible within the framework of the current post adjustment and rental subsidy systems.

The secretariat presented a solution to the lack of trade-off within the current system based on a modification of the post adjustment index calculation formula. Although that led to a trade-off across

duty stations between post adjustment and rental subsidy on a cost-neutral basis, the secretariat pointed out that it would bring further complications to the post adjustment system, which was considered inconsistent with the goals of simplification and transparency being sought in the comprehensive review.

Regarding the review of the rental subsidy scheme, the Advisory Committee recommended that the proposed mechanism for the restoration of the trade-off between rental subsidy and post adjustment, through the introduction of a subsidy factor in the post adjustment index structure, should not be adopted. However, it recommended that the secretariat investigate the feasibility of designing a housing assistance grant, payable to all newly assigned United Nations common system Professional staff, in lieu of the rental subsidy, which would be more transparent and simpler to administer than the existing rental subsidy scheme, while at the same time maintaining a competitive and cost-effective housing assistance element in the overall compensation package. It also recommended that the secretariat identify objective criteria for determining which group II duty stations would be suitable for application of the group I rental subsidy scheme. Finally, it recommended that the Commission provide guidance regarding the implementation of key features of the rental subsidy scheme that should be harmonized across all organizations and duty stations.

The Commission agreed that consideration of the implementation of the Advisory Committee's recommendations pertaining to the rental subsidy scheme could not be part of the ongoing comprehensive review, but would be taken up afterwards, and decided to request the secretariat to conduct further analysis aimed at submitting specific proposals regarding implementation of key features of the rental subsidy scheme that should be harmonized across all organizations and duty stations, for the Commission's consideration at a later session (ICSC/80/R.9)

81st Session (July): The Commission considered document ICSC/81/R.9 as reported in paragraphs 51 to 64 of document A/70/30 on Modifications to the operational rules governing the post adjustment system.

In response to the above-mentioned decision of the Commission, the secretariat reviewed all the operational rules governing the post adjustment system and concluded that among the rules that merited consideration for modification was the establishment of rental subsidy thresholds.

Regarding the establishment of rental subsidy thresholds within the framework of a unified salary scale, there was consensus on the approach of applying the threshold calculated on the basis of the scale to staff without dependents and then to divide it by 1.06 to derive the threshold for staff with dependents. That approach was deemed reasonable, rational, transparent, easy to understand and consistent with the current practice of differentiation of thresholds on the basis of the differential in net remuneration between staff with and staff without dependents. It was agreed that an approach based on differentiation of thresholds in terms of different maximum reasonable rent levels was fraught with administrative problems, including inconsistent application by different organizations, thereby creating unhealthy competition among staff serving different organizations at the same duty station.

The Commission decided: To establish rental subsidy thresholds by applying the threshold calculated using the proposed unified salary scale to staff that are not in receipt of spousal or single-parent allowances, and dividing it by the factor 1.06 to derive the threshold for staff that are in receipt of these allowances, with effect from the date of promulgation of the unified salary scale for staff in the Professional and higher categories.

2017 **84th Session (March)**: At the 84th Session of the Commission, the representative of the Food and Agriculture Organization (FAO) made a statement on rental subsidy matters, considered as part of the

post adjustment system. It requested that the Commission consider that its secretariat should handle all rental subsidy matters. In particular, it should be the ICSC, and not the Resident Coordinator or other administrative staff in the duty stations who should determine the reasonable maximum rent levels. The ICSC was already administering the majority of items pertaining to post adjustments, and therefore the goal of the proposed change would be to assure efficiency through streamlining of assessments and decision making, as well as consistency of decisions pertaining to this entitlement, the granting of which impacts on the organizations' overall monetary expenditure. The representative of FAO also requested that the Commission consider reducing the total number of years a staff member could receive rental subsidy as a newcomer, from 7 to a maximum of 3 years. Numerous cities, particularly metropolis where United Nations agencies were headquartered had well developed real estate markets and widely available information about the same, including through online sources. The staff working in those locations could easily know the local real estate market conditions. FAO further requested that the Commission consider applying the same provisions in the field as in headquarters and to apply the same time limit in both types of duty stations. The organization was engaged with some of the most delicate issues affecting the global community. It relied on donor funding for maintaining its relevance, while its reputation depended on the organization's ability to achieve its goals. Therefore, by demonstrating a pro-active approach towards streamlining and carefully monitoring expenditures, the organization as a whole would send a strong signal of reliability to all stakeholders. As an organization responsible for eradicating hunger and poverty, one should give the right signals. It was decided that the ICSC secretariat should undertake the necessary studies and return to the Commission with proposals at its next session.

85th Session (July):

The secretariat provided some background information and described a framework for an analysis of the implications of proposals for changes to some parameters of the rental subsidy scheme submitted by the United Nations Food and Agricultural Organization for the Commission's consideration at its eighty-fourth session. However, the Human Resources Network of CEB requested that the Commission not consider this matter at this stage, and to wait until internal consultations among organizations had been completed. The Commission accepted his request.

SECTION 2.1.80
STAFF ASSESSMENT

1976 **3rd session (March)**: In conducting its review of the salary system as requested by the GA in resolution 3357 (XXIX) (1974), ICSC considered staff assessment. Before considering assigning an additional function to staff assessment (i.e., differentiating between remuneration of staff with and those without dependants), ICSC reviewed the origin and raison d'être of staff assessment. It noted that the GA, in establishing staff assessment, had recognized two purposes: one, conceptual, i.e., given the principle that UN salaries should not be subject to national income taxation, UN staff should not be seen as a privileged group exempt from any form of income tax; and the other, practical, i.e., given the fact that some Member States nevertheless continued to impose national income tax on the UN earnings of their nationals, to provide a source from which the amounts paid by those staff members in taxes could be reimbursed to them, so as to ensure equality of treatment as between staff members, regardless of their nationality, while not imposing any additional financial burden on those Member States which did not reap returns on their contribution to the budget in the form of income taxes. The second purpose had been achieved through the subsequent institution of the Tax Equalization Fund. ICSC noted that the first purpose could be considered as somewhat tenuous and subjective in character, while the second would become unnecessary if all Member States applied fully the provisions of the conventions on privileges and immunities. Nevertheless, its consensus was that for the time being the staff assessment scheme should be maintained. If any changes were made, care should be taken to ensure that it still met its practical purpose and provided the required amount of funds for the Tax Equalization Fund *[A/31/30, para. 203]*.

ICSC considered that the desired degree of differentiation between the total net remuneration of staff members of the P and higher categories with and without dependants should, in future, be achieved mainly through differentiated rates of staff assessment, the remuneration of staff members with dependants should, in general, be maintained without change. ICSC then recommended, *inter alia*, that the GA adopt, with effect from 1 January 1977, the revised scales of staff assessment, gross and net salary and rates of PA set out in annex VII (or VIII, as appropriate) of A/31/30 *[A/31/30, para. 67]*.

The GA adopted the new rates of staff assessment by **resolution 31/141 B**.

1978 **7th session (March)**: When separate scales of staff assessment were introduced for staff members of the P and higher categories with dependants and for those without dependants as a means of transferring the recognition of dependency status from PA into base salary, it was not judged feasible to apply the new differentiated scales immediately to the GS category; ICSC therefore recommended that, as a temporary measure until it had been able to study the problems of remuneration of the GS category, the previous scale should continue to apply to that category *[A/33/30, para. 281]*.

In connection with the establishment of pension benefits for the GS and related categories, ICSC considered a method suggested by CCAQ which would involve the establishment of a scale of staff assessment expressed in percentages rather than in currency amounts. Thus, the need for conversion of the local currency salary into dollars, with the consequent distortions, would be avoided; and the gross/net relationship for given points in the salary scale, corresponding to given functions, would be consistent from one duty station to another.

Having examined different possibilities and heard the views of the representatives of CCAQ and FICSA, ICSC came to the conclusion that, if the problem of the pensionable remuneration of the GS category were treated as a separate issue, a replacement for the existing scale of staff assessment could be worked out by one of the methods considered or by some combination of them, but in order to

arrive at a fully satisfactory long-term solution a more fundamental approach would be required *[A/33/30, paras. 292 and 293]*.

1980 **11th session (February/March)**: ICSC was informed that in the course of the debate on the 5th annual ICSC report in the Fifth Committee of the GA a question had been asked whether the time had not come to consolidate part of the existing level of PA into base salary. It had been argued that it was anomalous and undesirable that base salary should constitute, as it now did, a relatively small proportion of total remuneration and that pensionable remuneration should be so much higher than gross salary. It had been maintained that consolidation would to some extent redress those apparent anomalies *[A/35/30, para. 94]*.

Bearing in mind the situation of the Tax Equalization Fund, ICSC believed, without committing itself to a definite decision that a consolidation of some 30 points (about five classes) of PA, with effect from 1 January 1981, might well be justified. It agreed with CCAQ that consolidation should not produce any gains or losses to the staff and therefore adopted the consolidation method recommended by ACPAQ which would produce such a result. It also agreed that the scale of staff assessment should be revised with a view to avoiding windfall increases in pensionable remuneration.

12th session (July/August): Following an examination of a report submitted by the secretariat outlining the results of consolidation of 30 multiplier points of PA into base pay, ICSC noted that: (a) in order to avoid windfall gains in pensionable remuneration the staff assessment rates had to be revised downward and the revised scale of staff assessment rates might not be in line at all income levels with possible changes in the tax rates applicable in the seven HQ countries which had served as the basis for the existing scales; (b) although it had agreed to a consolidation on the basis of no loss or no gain in salaries, some gains which had resulted from rounding and the revision of the scale of staff assessment rates could not be avoided. It agreed, however, that these gains were not, in general, very significant and were temporary in nature. The total additional costs to all organizations for 1981 would amount to approximately $900,000; (c) as a consequence of the reductions in the scale of assessments, increases in net equivalents corresponding to pensionable remuneration amounts had resulted *[A/35/30, paras. 98 and 99]*.

ICSC agreed that consolidation of 30 points of PA into base pay on the basis of no loss and no gain would redress to some extent the anomalies mentioned above but more importantly help the situation vis-à-vis the Tax Equalization Fund and at the same time avoid subjecting too many staff members to deductions from base salary on account of negative PA classes.

It, therefore, agreed to make the following recommendations to the GA: (a) 30 points of PA should be consolidated into base salary on the basis of no loss and no gain; (b) for the purposes of calculation, PA indices at all duty stations as at 1 March 1980 and pensionable remuneration as at 1 July 1980 should be used for calculations purposes; (c) the PA index in effect on 1 January 1981 for each duty station obtained following consolidation of 30 points of PA should be used for the determination of PA classification of that duty station as of 1 January 1981; (d) resulting salary scales should become effective on 1 January 1981; (e) pensionable remuneration, with effect from 1 January 1981, should be calculated based on post-consolidation gross salaries *(A/35/30, para. 101)*. Since the consolidation had not been accompanied by a major salary review and was recommended primarily in view of the situation of the Tax Equalization Fund, some ICSC members expressed serious concern that the equilibrium of the Fund depended exclusively on the value of staff assessment and therefore on periodic consolidations. They pointed out that replenishing the Fund in that way could lead to imposing additional financial burdens on the majority of Member States who did not tax their nationals working in the UN, in order to meet the consequences of the actions of the very few States who did so. At the request of those members, ICSC agreed to undertake a study of the issue and particularly to

examine whether there might not be a means of dealing with the situation other than by using staff assessment and a Tax Equalization Fund. It requested its secretariat to prepare a study on the issue for consideration at its 14th session *[A/35/30, para. 104]*.

The GA by **resolution 35/214 A**, adopted the revised scales of staff assessment and welcomed in section V the examination of the relationship between the staff assessment system and the Tax Equalization Fund, as proposed by ICSC. By **resolution 35/214 B**, the GA: (a) approved the revised scale of staff assessment for staff in the GS and other locally recruited categories as well as the manner of application, including the transitional arrangements, as recommended by ICSC; (b) invited ICSC to keep under review staff assessment for all categories of staff and to report to the GA as appropriate.

1981 **13th session (February/March)**: ICSC noted that study of the issue did not reveal any suitable alternative to the use of staff assessment and the Tax Equalization Fund to deal with the tax reimbursement problem. That would continue to be the case so long as the Member States concerned had not taken the necessary action to exempt their nationals from income taxation, as requested by the GA in resolutions 13(I), 78(I) (1946), 160(II) (1947) and 239 A and B (III). ICSC suggested that the GA might wish to renew its request to Member States that had not done so to take appropriate action to exempt their nationals from income taxation, which could lead to the abolition of the Tax Equalization Fund *[A/36/30, para. 256]*.

By **resolution 36/233**, the GA requested ICSC to undertake a general review of staff assessment for the equitable treatment of all categories of staff at all duty stations.

1983 **17th session (March)**: ICSC considered the general principles of staff assessment and the historical evolution of the staff assessment plan in the light of the operation of the Tax Equalization Fund, the relationship of the Fund to staff assessment and the issues involved in the consolidation of a part of PA into net salary for staff in the P and higher categories *(A/38/30, para. 65)*. ICSC took note of the document presented by its secretariat *(ICSC/17/R.14)* concerning procedures to be used at the time of future consolidations of PA into base salary and the results of the comparison of the UN staff assessment rates for the P and higher categories of staff with the average of tax rates applicable at the seven HQ locations and with US taxes. It agreed that no action was required in that regard on the part of ICSC at present *[A/38/30, para. 69]*.

ICSC also considered possible improvements in the level of staff assessment in response to GA resolution 36/233 *(ICSC/17/R.15)*. It decided that there was no further need to develop any interim solution prior to a full consideration of the levels of GS staff assessment rates, for example in 1985. The current levels of staff assessment were to remain in force until that time *[A/38/30, para. 74]*.

1984 **19th session (March)**: ICSC examined a request by the UN Administration to address the consolidation of a part of PA into net base salary in view of the imbalance in the Tax Equalization Fund. Document ICSC/19/R.7, submitted by the secretariat, provided background information to the problem.

ICSC agreed to minor changes in the rates of staff assessment for those without primary dependants in order to counteract losses in take-home pay as a result of the consolidation. It also agreed that progressivity in the rates of staff assessment beyond income levels of $US 90,000 should be introduced. It noted the concerns expressed by CCAQ in this regard. It was, however, of the view that while the introduction of these staff assessment rates would seem to increase the gross salaries for the most senior staff, the increase would have no practical effect, and from the long-term point of view such a change was essential.

As regards the concerns of the organizations that the introduction of these staff assessment rates would result in lower levels of net separation payments, ICSC was of the view that some transitional measures could be introduced to protect acquired rights. ICSC, therefore, decided to recommend to the GA gross salary scales and amounts of PA per index point resulting from the consolidation of 20 points of PA with effect from 1 January 1985. The modified rates of staff assessment should be used for staff in the P and higher categories with effect from 1 January 1985 *[A/39/30, paras. 135-137]*.

ICSC invited the GA to note that the application of the rates of staff assessment *(A/39/30, annex V)* would result in reductions in the net amounts of separation payments at the most senior levels. It therefore recommended that transitional measures be applied in the case of all staff members who had joined the common system prior to 1 January 1985. For staff joining the UN common system after 1 January 1985, separation payments should be calculated on the basis of the revised staff assessment scale *[A/39/30, para. 138]*.

The GA, by **resolution 39/27**, approved the revised scales of staff assessment.

1986 **23rd session (March)**: ICSC had before it a document dealing with the issue of staff assessment for the GS and related categories of staff and summarizing the Commission's consideration of this issue at its 21st and 22nd sessions *(ICSC/23/R.8)*. At its 22nd session, ICSC had requested its secretariat to convene a working group of representatives of organizations and staff to consider various aspects of the methodology approved by ICSC for the determination of staff assessment. The report of the working group was submitted to ICSC as part of the secretariat document. A revised scale of staff assessment was recommended by ICSC to the GA to take effect from 1 April 1987. Further adjustments to the scales of separation payments would be made on the basis of the movements of WAPA from 1 January 1986 and the scale of separation payment amounts in effect on 1 April 1987 *[A/41/30, paras. 46 and 47]*.

The GA adopted the recommended scale of staff assessment by **resolution 41/207.** The GA also renewed its earlier request, in resolution 239 C (III) (1948), to Member States that had not done so to take necessary action to exempt their nationals employed by the UN from national income taxation with respect to their salaries and emoluments paid to them by the UN which could result in the abolition of the Tax Equalization Fund.

1987 **26th session (July)**: ICSC considered a request by the UN for the consolidation of 20 points of PA into base salary for staff in the P and higher categories, in view of a projected deficit in the UN Tax Equalization Fund. Bearing in mind that consolidation would place a large number of additional duty stations in a negative PA class and would have significant cost implications, ICSC considered a proposal which would deal with the projected imbalance in the Tax Equalization Fund without resorting to consolidation. That approach would consist of establishing special rates of staff assessment to be used in conjunction with gross base salaries and the gross amounts of separation payments for the P and higher categories. The existing rates of assessment for staff with a primary dependant would remain in effect for purposes of pensionable remuneration and pensions. Current net base salaries and net amounts of separation payments at the dependency rate would be maintained, and there would be only minor changes in current net base salaries and net amounts of separation payments at the single rate. Furthermore, that approach would have no impact on PA classification. On that basis, ICSC recommended to the GA that it should: (a) maintain the current scale of staff assessment at the dependency rate for purposes of pensionable remuneration and pensions; (b) establish revised rates of staff assessment at the dependency and single rates to be used in conjunction with gross base salaries and the gross amounts of separation payments *[A/42/30, paras. 105-122]*.

The GA in **resolution 42/221** approved: (a) with effect from 1 April 1988, the revised rates of staff assessment for staff in the P and higher categories; (b) maintenance of the current rates of staff

assessment for staff members with a dependent spouse or dependent child for purposes of pensionable remuneration and pensions.

1989 **30th session (August)**: In the context of its recommendation to the GA for an adjustment in the base/floor salary scale *(see section 2.1.60)*, ICSC recommended an associated staff assessment scale, for use in conjunction with gross base salaries for staff members without primary dependants *[A/47/30, para. 118 and annex VI]*.

By **resolution 44/198**, the GA approved, with effect from 1 July 1990, revised staff assessment rates for staff members with neither a dependent spouse nor a dependent child, to be used in conjunction with gross base salaries and the gross amounts of separation payments.

1992 The GA, in **decision 47/459**, requested that the UN/SG review all aspects of the question of staff assessment as they affected the budgets of the UN organizations and programmes, taking into account the views of ICSC and the experience of other organizations of the system, and present proposals to the GA at its 48th session, through ICSC.

The GA in **resolution 47/219** A (section XXVI) urged ICSC to review staff assessment rates during 1993.

1993 **38th session (July)**: ICSC examined proposals prepared by its secretariat *(ICSC/38/R.14 and Corr. 1)*. In response to the above requests, ICSC noted that since these requests had been made in the context of the Tax Equalization Fund, the review should be limited to the staff assessment rates used for generating revenue for the Fund. Furthermore, it considered that it was not necessary to review the rates of staff assessment for the GS and other locally recruited categories at the present time *(see section 2.2.30 for details)*. It therefore decided to limit its review to the scale of staff assessment used in conjunction with gross salaries for the P and higher categories of staff *[A/48/30, para. 204]*.

A scale that would result in reducing staff assessment income by approximately 10 per cent would meet the Fund's resource requirements. ICSC recommended to the GA, for implementation with effect from March 1994, a revised staff assessment scale for use in conjunction with gross base salaries for the P and higher categories of staff. This would result in very minor changes in take-home pay for staff to whom the single rate of staff assessment applied, but those were so small as to be considered negligible. Some minor changes to the proposed staff assessment rates (for those with neither a dependent spouse nor a dependent child) would also be required *[A/48/30 para. 205 and annex II]*.

By **resolution 48/224** the GA: (a) approved the revised scale with effect from 1 March 1994; (b) regretted that it had not received the review of all aspects of the question of staff assessment: (c) requested the SG to provide the report no later than its 49th session. The GA also requested ICSC to review and, if necessary, recommend revised rates of staff assessment consequential upon changes in the base/floor salary.

1994 **40th session (June/July):** ICSC invited the GA to note that the substantial staff assessment change recommended in 1993 had followed an extended period in which no adjustments had been made despite a number of changes in the base/floor scale. As those staff assessment changes had taken effect only on 1 March 1994, it was too early to assess their impact. Given the relatively small adjustment in the base/floor scale recommended for 1995, any consequential changes in the staff assessment scale would be relatively minor. Accordingly, no recommendation for revised staff assessment rates was being made at the present time. ICSC would, however, continue to monitor the situation, in conjunction with the UN, and make such recommendations in that regard in the future as the evolving situation of the Tax Equalization Fund merited *[A/49/30, para. 179]*.

1995 **42nd session (July/August)** ICSC addressed the GA's request (in resolution 48/224) in the context of its review of the base/floor scale. It had been informed by the UN that it was still too early to assess the impact of the March 1994 changes on the status of the Tax Equalization Fund. ICSC would continue to monitor the situation *[A/50/30, para. 213]*.

1996 **43rd session (April/May)**: ICSC reviewed in detail the various steps in the development of a **common scale of staff assessment** as reflected in the methodology reported to the GA in 1993 *(A/48/30, para. 44)*. A number of tests had been conducted to determine the impact of exchange rate movements on the results of tax calculations carried out on a range of income levels at the 7 HQ duty stations. ICSC concluded that exchange rate fluctuations had a minimal impact on the results of the tax calculations. Details of the different methods for aggregating the results of tax calculations at the 7 HQ duty stations, i.e., total, cumulative and equal weights and weights based on the distribution of common system staff at each of those locations, were also reviewed. ICSC noted a number of advantages to the use of the equal weighting method. Other issues addressed were the use of employee/retiree approaches for tax deductions and the use of specific regression analysis techniques for the calculation of a common staff assessment scale. In resolving the three abovementioned issues ICSC and the UNJSP considered that guidelines and objectives should be borne in mind in developing a common scale of staff assessment: (a) the income inversion phenomenon should be significantly addressed particularly at net income levels applicable to both P and GS staff; (b) low net income levels should not be adversely affected;(c) high net income levels should receive no additional benefit as a result of the adoption of a common scale of staff assessment *[A/51/30, paras. 83-89]*.

44th Session (July/August): ICSC was informed by the UN that there was a substantial surplus of staff assessment in the Tax Equalization Fund which required a decrease in the related staff assessment rates of 11 per cent to restore the balance. It noted that the action proposed would have no impact on conditions of service of P and higher categories of staff as the staff assessment rates under consideration would in no way affect PR levels. For the GS category, ICSC noted that it was recommending revised staff assessment rates as part of a common scale of staff assessment *(see section 5.10)*. ICSC decided to recommend to the GA revised staff assessment rates for the determination of gross salaries *[A/51/30, paras. 133 and 149-150; annex VI]*.

With regard to the **common scale of staff assessment**, ICSC concluded as follows on the following three issues -- equal weighting method, employer/retiree approaches and specific regression analysis: (a) the tax systems at the 7 HQ duty stations should be equally weighted in aggregating the net-to-gross tax relationship among the 7 HQ duty stations; (b) the tax calculations at each of the 7 HQ duty stations should be based on employee deductions. However, this issue would be addressed again at the time of the next comprehensive review; (c) the same regression analysis method should be used in smoothing the net-to-gross tax relationship for married and single staff for application to the P and higher categories and GS and related categories, respectively. ICSC recommended to the GA the common scale of assessment for the P and higher categories and GS and related categories. For P and higher categories, the scale should be implemented with effect from 1 March 1997. For the GS and other locally recruited categories, the following modalities should be used: (a) the common scale of staff assessment, following approval by the GA, would go into effect as of 1 March 1997; (b) GS gross pensionable salaries in effect as at 28 February 1997 would continue to remain in effect until the scale of net salaries was revised as a result of either a comprehensive GS salary survey or an interim adjustment; (c) on the occasion of an adjustment of GS salaries, resulting from either a comprehensive salary survey or an interim adjustment, the common scale of staff assessment would be applied to net pensionable salaries using the net-to-gross methodology; (d) if the gross pensionable salaries in (c) above were equal to or higher than those in effect on 28 February 1997, the revised gross pensionable salaries would be used. However, if the salaries in (c) above were lower than those in effect on 28 February 1997, the latter would continue to be used until the procedure in (c) above produced gross

pensionable salaries which were equal to or higher than those in effect on 28 February 1997 *[A/51/30, paras. 105-107 and annexes I-IV]*.

ICSC noted that the use of the common staff assessment scale would result in an average increase in the PR levels of the P and higher categories of staff of approximately 0.07 per cent, and a consequential increase in cost of $224,000 per annum, system-wide. For the GS and related categories of staff, the use of the common staff assessment scale would result in an average decrease of approximately 2.3 per cent in gross pensionable salaries, resulting in savings of approximately $5,994,000 per annum, system-wide. Total savings resulting from the implementation of the common staff assessment scale used for the determination of the PR of all categories were therefore estimated at $5,770,000, system-wide *[A/51/30, para.104]*.

By **resolution 51/216**, the GA: (a) approved the revised staff assessment scale, with effect from 1 January 1997, subject to the implementation procedures set out in the ICSC report (A/51/30, para. 101), in the case of GS and related categories; (b) requested ICSC to report on the impact of the differences in national and local tax rates at the 7 HQ duty stations on the gross pension benefits of locally recruited staff in the GS and related categories at those duty stations in comparison with the compensation for such taxes provided by the common staff assessment rates.

2006 **62nd session (March):** In 1996 ICSC, in close cooperation with the UNJSPB, recommended a common scale of staff assessment for the Professional and higher categories and the General Service and related categories for determining the pensionable remuneration levels of both categories. The General Assembly in its resolution approved the recommended scale with effect from 1 January 1997. At that time, UNJSPB recommended, and the Commission agreed, that the scale should be updated, as necessary, every two years, based on changes in average taxes at seven headquarters duty stations. Following the conversion of the UNWTO into a specialized agency at the end of 2003, the Commission, at its fifty-eighth session, decided that tax data relevant to Madrid should be included in the calculations of the common scale of staff assessment and in the biennial calculations to update the scale. The Assembly took note of the decision in its **resolution 59/268**.

At its sixty-second session, the Commission examined the changes made in taxes at the eight headquarters duty stations concerned since the last time it considered this item. The data showed that average taxes had increased or decreased minimally at the relevant income levels between 2003 and 2005 [*A/61/30 para.65*].

The Commission decided to report to the General Assembly that the current common scale of staff assessment should continue to apply and indicated its intent to review the scale every five years or at the time of the next comprehensive review of pensionable remuneration, whichever was first [*A/61/30 para.70*].

In **resolution 61/239**, the GA took note of the decision of the Commission.

2011 **73rd session (July):** The Commission considered a request from the United Nations to revise the rates of the staff assessment. This request was made to address the surplus that had accumulated in the Tax Equalization Fund, in particular, in the sub-account of the United States of America. According to estimates by the United Nations, a 15 per cent reduction in staff assessment revenue was required to address this problem. In response to a follow-up request from the United Nations Secretariat regarding the overall targeted decrease in the staff assessment amounts for the Professional and higher category of staff, which were calculated based on the approximate breakdown of the United Nations categories of staff as provided by the United Nations Secretariat, the staff assessment rates were further slightly

revised. This resulted in the lowering by approximately 1 percentage point of the rates applicable to the lower two assessable income brackets. No changes were made to the upper two brackets.

The Commission decided to recommend to the General Assembly, for approval, with effect from 1 January 2012, the revised rates of staff assessment used in conjunction with gross base salaries for the Professional and higher categories. The Commission also recommended that the staff assessment rates used in conjunction with gross salaries be reviewed every three years and revised as appropriate.

In **resolution 66/235**, the General Assembly **approved**, with effect from 1 January 2012, the revised rates of staff assessment used in conjunction with gross base salaries for the Professional and higher categories of staff and **endorsed** the decision of the Commission to review the staff assessment rates used in conjunction with gross salaries every three years, for revision as appropriate.

2015 **81st Session (July):** As part of **the comprehensive review** of the compensation package for staff in the Professional and higher categories, conducted by the Commission between its 76th to 81st sessions (March 2013 to July 2015), the Commission recommended to the General Assembly that one net salary scale be introduced for all staff in the Professional and higher categories without regard to family status. Since staff assessment rates refer directly to the base/floor salary scale new rates were put forward by the Commission, devised in consultation with the United Nations to ensure the appropriate balance in the Tax Equalization fund. It was also recommended that the rates be reviewed two years after the implementation of the revised compensation system to ensure no adverse impact on the Tax Equalization fund. (A/70/30, para 211)

By **resolution 70/244** the General Assembly **approved** the proposed staff assessment rates and **decided** that they be reviewed two years after their implementation. (A/RES/70/244, section III.2)

2019 **89th session (July):** The rates of staff assessment are normally reviewed every three years. However, in approving the revised common system compensation package in its resolution 70/244, the General Assembly decided that those rates should be reviewed two years after the package went into effect. Based on this, the Commission included the review of the staff assessment rates in the programme of work for its eighty-ninth session. At the eighty-ninth session, the Commission was informed that, based on discussions with officials from the United Nations, the existing balance of the Tax Equalization Fund did not require a revision of the staff assessment rates used in conjunction with gross salaries. The Commission recommended to the General Assembly that the existing rates of staff assessment used in conjunction with gross salaries be maintained until the next regular review of those rates in 2022, unless a change in the situation of the Tax Equalization Fund necessitated an earlier review. The Commission's recommendation was approved by the General Assembly in 2019 at its 74th session (Res/74/255B).

SECTION 2.1.90
COMPREHENSIVE REVIEW OF THE CONDITIONS OF SERVICE OF THE PROFESSIONAL AND HIGHER CATEGORIES

1987 By **resolution 42/221**, the GA requested ICSC to undertake a comprehensive review of the conditions of service of the staff in the P and higher categories in order to provide a sound and stable methodological basis for their remuneration. It advised ICSC, in carrying out the review, to give due consideration to the following guidelines: (a) the need for securing the highest standards of efficiency, competence and integrity in recruiting staff with due regard being paid to equitable geographical distribution; (b) the need for greater transparency and simplicity in the concepts and administration of the remuneration system; (c) the need for sufficient flexibility to respond to varying requirements resulting from different types of appointments and changing circumstances; (d) the relativity of benefits among duty stations as a factor in staff mobility; (e) the need for long-term improvement in the operation of the PA system, including the separation of the effects of inflation and currency fluctuations and a simpler and more accurate reflection of differences in cost of living between the base of the system - New York - and field duty stations. The GA requested ICSC to complete the review for presentation at its 44th session.

1988 **28th session (July)**: CCAQ presented a report prepared by the compensation specialist consultant company retained by the organizations (Organization Resource Counselors, Inc: ORC) working in collaboration with three remuneration specialists from the United Nations system. The consultant had been asked to concentrate on compensation elements, including salaries and expatriation benefits: thus not all conditions of service were covered. CCAQ felt that the consultant's report could provide an important input into the comprehensive review. There must be full and active participation by organizations and staff representatives in every step of the process: such participation would contribute to the technical soundness, broad acceptability and administrative workability of any revised system of compensation. CCAQ recommended the establishment of working groups to cover the following areas: (a) comparators; (b) the pay package; (c) merit pay and the grading structure; (d) mobility and hardship incentives. Research and development work in each of these areas should be decided between the ICSC and CCAQ secretariats.

ICSC had a preliminary discussion on all aspects of the comprehensive review on the basis of documentation presented to it *(ICSC/R.28/R.6 and Add.1)*. ICSC felt that while the consultant's report submitted by CCAQ contained a number of new and interesting proposals, it was premature to take a position on the recommendations made. These proposals could nevertheless be studied further in the context of the ICSC review, in addition to others that had been proposed and might be developed *[A/43/30, paras. 135-139]*.

By **resolution 43/226**, the GA recalled its request in resolution 42/221, and reaffirmed the guidelines for the comprehensive review provided therein. It provided further guidance to ICSC in the four areas identified in the preliminary ICSC report on the review, as set out in (1) to (4) below, while noting that the scope of the review should not necessarily be limited to those areas. It: (a) requested ICSC to pursue the comprehensive review as a priority and, if necessary, adjust its programme of work and schedule of meetings, in order to provide for substantive discussion and finalization of the comprehensive review in 1989; (b) invited ICSC to make arrangements to allow for the fullest participation of organizations and staff representatives in all aspects and at all stages of the comprehensive review; (c) requested ICSC to submit a comprehensive report to the GA at its 44th session together with a preliminary assessment of the impact of the relevant recommendations on pensionable remuneration; (d) requested ICSC in its review to be guided by the following: (i) ICSC should examine all elements of the present conditions of service, and after identifying problems related to staff recruitment, retention and mobility should propose solutions to these problems; (ii) the

proposed solutions should be accompanied by an indication of their financial implications, together with an estimate of the overall costs; (iii) the overall costs should, as far as possible, be comparable to the costs of the current remuneration system.

(1) COMPARATOR

The Noblemaire principle should continue to serve as the basis of comparison between UN emoluments and those of the highest-paying civil service - currently the United States federal civil service - which, by its size and structure, lends itself to such comparison; ICSC should review how best the application of the Noblemaire principle can ensure the competitiveness of UN remuneration without resorting to comparison with the private sector; In this connection ICSC should undertake a comparative study of the concept of the margin including the way in which it is intended to compensate for expatriation. **ICSC Section 2.1.90**

(2) REMUNERATION SYSTEM

A single worldwide salary scale should be a fundamental goal of the remuneration system. Within this framework, a review should be made of how best special recruitment needs can be accommodated. ICSC should look into the present multiplicity of salary scales with a view to their correlation and possible amalgamation; In the context of equalizing purchasing power, ICSC should consider among other alternatives; the division of the pay package into its major component parts, one of which would be housing, reflecting the spending patterns of staff; major simplification of the PA system, including eliminating negative PA, separating out the housing component, streamlining the cost-of-living survey and computation process; ICSC should also review the rationale and magnitude of all elements of remuneration.

(3) MOTIVATION AND PRODUCTIVITY

Consideration should be given to (a) enhancing productivity through the introduction of incentives for merit and rewards on promotion payable on a one-time basis, coupled with less financial reward for longevity, which should be linked to a more rigorous performance appraisal system; (b) the introduction of administrative arrangements and of other on monetary awards for meritorious service. ICSC should review and report on the current practice of automatic advancement to the next step without rigorous performance appraisal as well as on existing and new possible non-monetary awards for meritorious performance.

(4) MOBILITY AND HARDSHIP

ICSC should analyse how best adequate incentives can be provided for mobility and for service in hardship duty stations. It should take into account the particular needs of organizations whose programmes require that staff be reassigned to and from HQ and field locations. In reviewing the scope and purpose of all the current allowances payable in cases of mobility and hardship, the entitlements provided by the comparator for nondiplomatic expatriates may serve as a general point of reference. In this respect, ICSC should, bearing in mind the different types of contractual arrangements existing in the system, review whether incentives should be provided by way of lump sums on transfers in lieu of or as well as ongoing payments in the form of allowances to compensate for hardship.

The GA also requested ICSC to analyse the feasibility of utilizing existing data sources; in this regard, consideration should be given to both public and private sources which publish up-to-date and accurate data on relevant subjects.

1989 **2nd special session (January)**: ICSC decided to establish a preparatory working group to prepare documentation for the 29th session (March 1989) and for a Working Group whose composition would include ICSC members. The terms of reference of this Working Group would be developed after review of the Preparatory Working Group's report by ICSC *[ICSC/S-2/R.5, para. 23]*.

The Preparatory Working Group, which was composed of representatives of the organizations, the staff and the ICSC secretariat met in February 1989.

29th session (March): ICSC considered the report of the Preparatory Working Group *(ICSC/29/R.6 and Adds.1-4)* which consisted of five parts: general considerations and organization of work; matters concerning the comparator and the structure of the remuneration system, including procedures for the establishment of internal relativities; staff mobility and service at hardship duty stations; allowances not related to mobility and hardship; and motivation and productivity.

During a wide-ranging discussion, a variety of views were expressed by ICSC members and, on a number of items, no consensus emerged. Points on which broad agreement was reached as to the guidance to be given to the Working Group are reflected below. In addition to general guidance, including the terms of reference of the Working Group, ICSC provided broad guidelines concerning a number of specific aspects of the review. It invited the Working Group to:

(a) take into account the guidance provided in GA resolutions 42/221 and 43/226, as well as by ICSC at its current session and the second special session; (b) examine all aspects of the conditions of service of the P and higher categories on the basis of the documentation prepared by the Preparatory Working Group and taking into account the views expressed thereon in ICSC. Priority should be given to the structure of the remuneration package; (c) examine alternatives proposed by the Preparatory Working Group that had been identified for further consideration by ICSC, as well as any additional ones determined to be relevant by the Working Group itself; (d) identify additional specific issues that might be referred to ACPAQ; (e) identify and establish the relative priority of recruitment and retention problems, with particular emphasis on selected duty stations and specific occupations; (f) pay special attention to the problems of mobility and hardship; (g) narrow down the number of options and alternatives as far as possible, with a view to presenting sets of options for a new remuneration system that would constitute an integrated package.

The Working Group's report should include all the elements, including financial implications, that would enable ICSC to adopt, at its 30th session, a comprehensive report with appropriate recommendations for submission to the GA at its 44th session. In particular, the Working Group's report should contain: (i) a description of the conceptual framework of, and rationale for, any set of options considered; (ii) an analysis of the interrelationship between the various component parts and an assessment of their internal consistency; (iii) a description of the changes involved in relation to the existing system, together with an analysis of the impact of the changes; (iv) an indication of the degree of simplification and streamlining achieved *vis-à-vis* the present system; (v) a projection of how the system would evolve over time, along with its long-term financial implications; (h) make a preliminary assessment of the impact of the recommendations on the methodology for the determination of pensionable remuneration.

Composition. The Working Group would be composed of a maximum of 16 members, of whom 5 would be members designated by ICSC; 5 would be representatives of organizations; and a maximum of 6 would be designated by CCISUA and FICSA. The Working Group could break into sub-groups to consider specific issues and call upon technical expertise as required. The Secretary of UNJSPB would be invited to participate.

Schedule of meetings. The Working Group would meet on three occasions, as follows: (a) for one to two days during the current session of ICSC to determine its work methods as well as the documentation required for the second meeting, including arrangements for the preparation of such documentation; (b) for three weeks from 24 April to 12 May, with the possibility of extension by a few days; (c) for one week from 12 to 16 June in order to finalize its report to the ICSC at its 30th session. The Working Group could amend the meeting schedule in the light of emerging needs, subject to the firm requirement that a final report would be produced in a timely manner for the 30th session.

Modalities. The secretariat of the Working Group would be the ICSC secretariat, assisted by the CCAQ secretariat and staff members who might be designated for that purpose by the staff representatives. In addition to supplying the services of a secretary to the Working Group, the ICSC secretariat would provide technical support on substantive issues. Information relating to the costing of alternatives under consideration would be prepared by the ICSC secretariat in consultation with the CCAQ secretariat.

Methods of work. The Working Group should strive to reach conclusions by consensus. In the event that there were differing views, they should be reflected in the report of the Working Group. In order to enable the Working Group to undertake its task within the framework of the above terms of reference and guidelines, the organizations should provide the Working Group with detailed statistics on recruitment and retention difficulties. The ICSC secretariat should prepare detailed cost estimates relating to various options in the report of the Working Group in such a way as to enable ICSC at its 30th session to assess the cost effectiveness of the various approaches and provide cost implications of its recommendations to the GA. Following the consideration of the report of the Working Group, ICSC, at its 30th session, would adopt a report to the GA at its 44th session.

Broad guidelines on specific aspects of conditions of service. ICSC decided that: (a) the net remuneration margin methodology should be considered in the context of the comprehensive review; (b) the modalities for periodic checks for competitiveness should be studied. There was no urgent need to consider the total compensation methodology as part of the comprehensive review if it was to serve as a tool for periodic checks for competitiveness. Methodological considerations should, therefore, be postponed until after the completion of the comprehensive review; (c) options V and VI under paragraph 68 of document ICSC/29/R.6/Add.l did not seem to be viable and should not be developed further; (d) taking into account the views expressed at the current session, the options included in the document prepared by the Preparatory Working Group on mobility and hardship *(ICSC/29/R.6/Add.2)* should be examined; (e) the possibility should be studied of restructuring mobility and hardship entitlements in order to respond more effectively to the operational needs of the organizations; (f) a comparative analysis should be made of the hardship entitlements of the UN scheme and those of the comparator; (g) measures could be studied - other than direct financial payments or reimbursements - that might be taken to alleviate hardship (e.g., the provision of schooling, dispensaries, recreational facilities and security arrangements); (h) in its examination of existing allowances, in addition to the studies of the education grant and dependency allowances that had been specifically requested by the GA, the Working Group should give priority to allowances and benefits that were most closely linked to those elements being studied as part of the comprehensive review. The importance of the integration of allowances in coherent system should be borne in mind; (i) the Working Group should examine various options in the area of motivation and productivity, bearing in mind, *inter alia*, the problems experienced by others in the introduction of merit-based systems. The feasibility of further improving the performance appraisal system and linking pay to performance should be studied. Non-financial factors which could enhance motivation and productivity in the organizations, such as the team approach and increased emphasis on management training, should also be reviewed; (j) consideration

should be given, at an early stage after completion of the first phase of the comprehensive review, to the restructuring of the salary scale *[ICSC/29/R.11, paras. 56-68]*.

30th session (August): ICSC considered the report of the Working Group *(ICSC/30/R.4, and Adds.1-8)*, which included separate chapters on the competitiveness of the present UN salary system; margin considerations; the structure of remuneration and implications for pensionable remuneration; the PA system; mobility and hardship; motivation and productivity, and allowances.

ICSC noted that the current review was the twelfth in a series of major studies and reviews of UN common system salaries, allowances, benefits and other conditions of service that had been undertaken since the UN Preparatory Commission had reported on the matter in 1945. In reviewing present conditions of service, ICSC had borne in mind the objectives, considerations and conclusions of earlier bodies. ICSC further noted that a number of recommendations were equally relevant to the GS and related categories. It was agreed that these should be borne in mind when ICSC next conducted a general review of conditions of service for such staff. ICSC also observed that it had not been possible in the time available to consider in any depth to what extent its recommendations would be appropriate to the conditions of employment of P staff hired for limited periods of time. They included both technical cooperation project staff and staff regularly appointed on a "short-term" basis. It would be necessary to review, at the earliest opportunity, the desirability of establishing a separate remuneration system for such staff members *[A/44/30, vol. II, paras. 20, 33-36 and 40]*.

The Commission's consideration of the specific chapters of the Working Group's report is reflected in the relevant sections of the Compendium as follows: Noblemaire principle and competitiveness (2.1.10); margin considerations (2.1.40); remuneration structure (2.1.130) and implications for pensionable remuneration (5.10); the PA system (2.1.70); mobility and hardship (3.80 and 4.30); motivation and productivity (2.1.60 and 9.70); allowances (sections 3.10 to 4.30); education grant (4.10).

As the result of the 1989 comprehensive review, ICSC made the following recommendations and reported the following decisions to the GA *[see A/44/30, vol. II, paras. 38-73]*:

(a) Competitiveness of the UN salary system related to recruitment and retention needs

ICSC recommended: (a) the establishment of a base/floor salary at a level equivalent to the current base salary plus 17 multiplier points; (b) a 5 per cent general increase in remuneration *(see also sections 2.1.10 and 2.1.60).*

(b) Matters relating to the comparator and the margin

ICSC decided to recommend to the GA that: (a) in the application of the Noblemaire principle as the basis for the determination of the conditions of service of UN staff in the P and higher categories, the comparator should continue to be the highest paid national civil service. A periodic check of the highest paid national civil service should be made every 5 years; (b) the current concept of the margin should continue to apply to all staff; (c) the current margin range of 110 to 120 should continue to apply; (d) in order to calculate the net remuneration margin: (i) comparisons should continue to be based on the net remuneration of UN officials in grades P-l through D-2 in New York and that of their counterparts in the comparator civil service in Washington; (ii) the cost-of-living differential between New York and Washington, based on the post adjustment indices for the two cities, should continue to be taken into account. A 12-month average of the amount of the New York/Washington cost-of-living differential should be applied in margin calculations, rather than the spot measurement currently taken; (iii) the margin reference period should be changed to the calendar year, i.e., the period 1 January to 31

December of each year should be used in margin comparisons; (iv) average salaries at each grade should be used on both sides of the comparison; (v) bonuses and performance awards that were not considered by the US Government to be included in base salary should be excluded from these comparisons; (vi) the tax calculation procedure reported to the GA in annex I to the eleventh annual report should continue to apply; (e) the margin should be allowed to fluctuate freely within the range. As long as the ratio between net remuneration in the UN system and in the comparator civil service remained within the range, no action would be required. If it became evident that the margin would drop below the lower limit, ICSC would make a recommendation to the GA for an across-the-board salary increase. On the other hand, if it became evident that the margin would exceed the top of the range, a freeze on emoluments would be applied until the margin was brought within the approved range; (f) the cumulative margin procedure approved by the GA at its 43rd session should be discontinued; (g) the four-month waiting period between the granting of successive classes of post adjustment for New York approved by the GA at its 43rd session should cease concurrently with (f) above *(see also section 2.1.40)*.

(c) Remuneration structures

ICSC decided to establish a Working Group composed of the secretariats of ICSC, CCAQ, FICSA and CCISUA to guide the ICSC secretariat in undertaking further tests on remuneration structures *(see also section 2.1.130)*.

(d) The post adjustment system

(i)

Common expenditure weights: ICSC decided that a single set of common expenditure weights should be used in PA calculations at all duty stations. The procedures recommended by ACPAQ to derive common expenditure weights should be used.

(ii)

Use of reduced list of items for pricing in cost-of-living surveys: ICSC decided that the cost-of-living survey process would be simplified by adopting a reduced list of items.

(iii) Treatment of out-of-area expenditures: ICSC decided to introduce a number of changes in the way the out-of-area expenditures were treated within the PA system.

(iv)

Use of external data sources: ICSC decided to use external data sources for prices and housing costs to supplement or replace existing sources in order to streamline the PA system. Adequate controls should be exercised on the quality, accuracy and consistency of all data obtained from external sources.

(v)

Separation of the effects of currency fluctuations and inflation: ICSC decided not to pursue the use of separate salary scales for hard currency duty stations.

(vi)

Frequency of time-to-time adjustments: ICSC decided: (a) to review PAIs at HQ and other European and North American duty stations on a monthly basis for both cost-of-living and exchange-rate movements. Changes in post adjustment/cost-of-living allowances in respect of cost of living should be granted either after a full 5 per cent movement had been measured or after a 12-month lapse since the last change, whichever came first. Changes owing solely to currency fluctuations should continue to be implemented monthly whenever they became due; (b) to review PAI for field duty stations on a four-monthly cycle for both cost-of-living and

exchange rate movements. Between those four-monthly reviews the PACs of the duty stations should remain unchanged. However, in the case of duty stations experiencing continuous devaluations, pricing surveys should be undertaken frequently; (c) to carry out promptly new pricing surveys for field duty stations experiencing abrupt devaluations and reflect the increase as soon as the results were received. Post adjustment changes resulting from devaluations should be deferred by two months, following which a downward adjustment of a maximum of 10 multiplier points could be made.

(vii) Use of a multiplicative rather than an additive method to adjust multipliers affected by exchange rate fluctuations: ICSC decided that in the case of fluctuations in exchange rates, post adjustment multipliers should be adjusted by the percentage change in the PAI.

(viii) Removal of regressivity and elimination of the remuneration correction factor and floor protection measures: ICSC recommended that: (a) all regressivity should be removed from the PA system; (b) the pension contribution should be treated as a separate item in the PAI so as to ensure that there would be no shift from staff to organizations in the share of expenditures relating to pension contributions.

ICSC decided that the current RCF and floor protection measures should be discontinued, subject to, and in conjunction with, the removal of regressivity and the modification in the treatment of out-of-area expenditures.

(ix)

Elimination of special measures: ICSC decided that the post adjustment system should be simplified by the elimination of special measures for high inflation; abrupt devaluation; continuous devaluation; and duty stations with a low or negative post adjustment classification.

(e) Mobility and hardship

The current scheme of assignment allowance, with or without the mobility element, financial incentives for service at hardship duty stations, installation grant and pre-departure allowance should be replaced by a new mobility and hardship scheme as follows:

(i)

Mobility and hardship matrix: The elements of field service/mobility/hardship should be recognized by payments in accordance with the matrix shown in paragraph 313 and the detailed conditions and modalities for those payments specified in paragraphs 316 to 322 *(see also section 3.80)*.

(ii)

Assignment grant: (a) at field duty stations, the assignment grant (formerly the installation grant) should consist of 30 days of DSA, plus half that amount for each accompanying dependant, and a lump-sum payment equivalent to two months' base salary plus PA at the new duty station at the staff member's grade and step *(see para. 323)*; (b) at HQ duty stations and other European, North American and similar designated locations, the grant should consist of 30 days' daily subsistence allowance, plus half that amount for each accompanying dependant, and a lump sum equivalent to one month's base salary plus post adjustment at the new duty station at the staff member's grade and step. The payment of the assignment grant should be made in accordance with the detailed modalities specified in the ICSC report *(see A/44/30, vol. II, paras. 323-326).*

(iii) Relationship to removal entitlements: The following provisions should apply pending a review by CCAQ of removal and shipping entitlements (see also (f) below): (a) for staff with removal

entitlements: (i) at HQ (and related) locations, the mobility/hardship elements would be recognized as per the matrix. The lump-sum payment of one month's salary would not apply under the assignment grant; (ii) at field locations a reduction of five percentage points in the mobility/hardship matrix would be applied and only one month's salary would be paid under the assignment grant; (b) for staff without removal entitlements: (i) at HQ (and related) locations, the mobility/hardship percentages under the matrix would be increased by three percentage points on the line shown for HQ, which would represent the approximate existing value of the assignment allowance. The assignment grant applicable at HQ would apply; (ii) in the field, the mobility/hardship element would be recognized as per the matrix and the field assignment grant would apply.

(iv)

Home leave: (a) 24-month home leave would apply at HQ and locations at hardship levels A and B; consequently the 18-month home-leave entitlement currently applicable to duty stations in category B would be discontinued; (b) annual home leave would apply at locations at hardship levels C, D and E.

(v)

Boarding costs: For staff serving at locations where educational facilities were not available or were deemed to be inadequate, the current limit of $1,500 for reimbursement of 100 per cent of boarding costs in addition to the maximum amount of the education grant should be increased to $3,000 (only in the case of children in primary and secondary school).

(vi) Review of removal entitlements: A number of recommendations were also made with regard to a review by CCAQ of removal and shipping entitlements, as well as family-related measures, including measures to deal with the problem of "split households".

(vii) Time off for medical/dental check-ups: Concurrent with the improvement of conditions of service at hardship duty stations, this entitlement should be discontinued.

(viii) Pre-departure allowance: This entitlement was to be subsumed under the proposed assignment grant *(see para. 325)*.

(f) Motivation and productivity

ICSC recommended to the GA that the following structural improvements to the salary scale for staff in the P and higher categories be introduced at the earliest possible opportunity: (i) the value of annual increments (step values) should be reduced; (ii) the point in the salary grade at which overlap occurred with the next higher grade should be raised; (iii) a number of steps should be added at the top of each grade at the P-2 to D-2 levels, but these should be granted every two years; (iv) the step I values of the grades should be increased, especially those at grades P-1 to P-3, to render the UN system more competitive on recruitment; (v) aberrations in the existing scale should be eliminated by: (a) making the average value of a step in each grade at least higher than the value of the step in the next lower grade; (b) making inter-grade differentials descend as the grade increased; (c) establishing salary spans that widened from grades P-1 to P-4 to reflect the distribution of staff at those levels, then decreased from levels P-4 to D-2 to reflect staff patterns at those levels; (vi) if step values were changed, care should be taken to ensure that the last step of the new scale was never less than the last step of the present scale.

ICSC also recommended that the organizations: (i) modify their promotion policies to ensure that upon promotion the staff member was placed at a step in the higher grade representing no less in monetary terms than the value of two steps in the staff member's present grade;

(ii)

follow the previous (1987) ICSC recommendation on cash awards as follows: "These may be considered for staff whose performance over a single appraisal period on all the important elements of the job exceeds expectations. Organizations may exceptionally grant a cash award to a staff member who exceeds expectations on one or a few tasks that are particularly critical while performing at the expected level on the other elements of the job. Cash awards allow a one-time performance to be given a single reward that has no permanent costs. Organizations that cannot provide more permanent rewards for sustained performance exceeding expectations, such as accelerated within-grade salary increments, may wish to use repeated cash awards to achieve the same purpose"; (iii) in connection with

(ii)

above, ensure that groups, as well as individuals, were equally eligible to receive such rewards; (iv) introduce, as appropriate, non-monetary awards such as service pins, plaques and certificates of achievement in line with the earlier ICSC recommendation; (v) introduce, to the extent possible, the environmental motivators described above in the areas of security, health, education and briefing, and other work-related conditions.

(g) Allowances

(i)

Education grant: ICSC recommended to the GA that: (a) the grant should remain solely an expatriate benefit, subject to the existing exception for staff reassigned to their home country following service abroad which should be maintained; (b) the grant should continue to be payable at the primary, secondary and post-secondary levels; (c) the pattern of reimbursement should continue to be the same at the primary, secondary and post-secondary levels; (d) the uniform existing pattern of reimbursement should be maintained, i.e., the grant should not be differentiated by duty station or according to whether the educational institution was located in the duty station country, the home country or a third country; (e) the existing provisions regarding education grant travel should remain unchanged; (f) existing provisions in respect of the age limit for the payment of the education grant should be maintained; (g) the current ceiling for the special education grant for disabled children should remain unchanged for the time being, but should be kept under review; (h) the revised arrangements on the currency of payment of the education grant approved by the GA at its 43rd session *(referred to in para. 381)* should remain in place for the time being, but should be evaluated based on experience with the first round of education grant claims; (i) the level of the grant should normally be reviewed every two years; the period between reviews should in no case exceed three years.

(ii)

Dependency allowances: ICSC recommended to the GA that: (a) a dependent spouse or the first dependent child of a staff member without a spouse should continue to be recognized through differentiated rates of staff assessment and post adjustment. There should be no change at this time in the current extent of the differentiation; (b) the relevant tax abatements and family allowances payable in the countries of the 7 HQ duty stations should continue to serve as the basis for the determination of the UN children's allowance;

(c) the children's allowance should be set at 2 per cent per child of net base salary plus post adjustment at the dependency rate, payable at P-4, step VI, at the staff member's duty station, subject to a floor allowance equivalent to 2 per cent of net base salary plus post adjustment at P-4, step VI, in New York. The allowance should be adjusted on the basis of PA changes for the duty station, subject to the above floor provision; (d) the age limit for eligibility to dependency benefits in respect of a child should remain unchanged; (e) the children's allowance in respect of a disabled child should be double the amount of the children's allowance; (f) a secondary dependant's allowance should continue to be payable in respect of one dependent parent, brother or sister, provided there was no primary dependant. The allowance should be set at 1 per cent of net base salary plus PA at P-4, step VI, at the staff member's duty station, i.e., one half of the children's allowance, subject to a floor allowance equivalent to 1 per cent of net base salary plus post adjustment at P-4, step VI, in New York. The allowance

should be adjusted on the basis of PA changes for the duty station, subject to the above floor provisions.

(iii) Separation payments: ICSC recommended to the GA that: (a) the terms and conditions for the payment of a termination indemnity, including the schedule of entitlements, should remain unchanged; (b) the repatriation grant entitlement for staff without a spouse or a dependent child at the time of separation should be set at a uniform 75 per cent of the existing entitlement at the dependency rate. The proposed revised schedule of entitlements for the repatriation grant, calculated on this basis, is shown in subparagraph 453 (b);

(c) the terms and conditions for payment of the repatriation grant should remain unchanged in all other respects; (d) the lump-sum amount payable in lieu of unused annual leave should be calculated on the basis of net remuneration, defined as net base salary plus post adjustment under the current system, at the duty station from which the staff member separated. The number of days that may be commuted into a lump sum should remain unchanged; (e) the terms and conditions for payment of the death grant should remain unchanged; (f) separate schedules of entitlements should continue to be used for calculation of the termination indemnity, the repatriation grant and the death grant; (g) all separation payments other than the commutation of unused annual leave should be calculated using the base/floor amount for the remuneration system. The existing scale of separation payments should consequently be abolished. In order to avoid financial implications, however, this measure should not be implemented until the scale of separation payments has reached the level of, or exceeded the base/floor scale. The scale of separation payments should continue to be used during the intervening period for all separation payments other than commuted annual leave.

By **resolution 44/198**, the GA acted on the ICSC report on the comprehensive review of the conditions of service of the staff in the P and higher categories as reported below. All enactments took effect from 1 July 1990.

(a) **Remuneration structure**

The GA noted with concern that it had not been possible for ICSC to recommend the introduction of a revised remuneration structure. It: (i) took note of the ICSC views with regard to the proposal that housing should be treated separately from the rest of the remuneration package and of the ICSC decision to undertake further work on remuneration structures; (ii) urged ICSC to complete its consideration of all issues related to the introduction of a revised remuneration structure for the UN common system, including its impact on margin considerations and on the housing needs of staff in hardship duty stations, and to submit its final and complete conclusions to the GA at its 45th session.

(b) **Comparator**

The GA: (i) reaffirmed that the Noblemaire principle should continue to service as the basis of comparison between UN emoluments and those of the highest-paying civil service - currently the US federal civil service - which, by its size and structure, lent itself to such comparison; (ii) endorsed the ICSC recommendation to conduct periodic checks every year to determine the highest-paying civil service and consequently requested ICSC to propose a methodology for carrying out such checks to the GA at its 46th session.

(c) **Margin considerations**

Recalling that, in resolution 40/244 (1985), it had approved a range of 100 to 120 with a desirable mid-point of 115, for the net remuneration margin, on the understanding that the margin would be

maintained at a level around the desirable mid-point of 115 over a period of time, the GA: (i) confirmed that the current concept of the margin should continue to apply; (ii) endorsed that the current margin range of 110 to 120 should continue to apply; (iii) endorsed the methodological approach, in para 173 (d) of the ICSC report, for the calculation of the remuneration margin; (iv) requested ICSC to continue to report the net remuneration margin on an annual basis; (v) also requested ICSC to monitor the annual net remuneration margin over the 5-year period beginning in the calendar year 1990 with a view to ensuring to the extent possible, that by the end of that period the average of the successive annual margins was around the desirable mid-point 115 and to report on the experience gained to the GA at its 49th session and, in the meantime, to submit an interim report on the net remuneration margin for the period 1990-1991 to the GA at its 47th session.

(d) **Post adjustment**

The GA: (i) requested ICSC to reconsider the decision contained in paragraph 250 (i) of its report relating to the granting of PA increases due to cost of living; (ii) took note of all other decisions taken by the ICSC in respect of the operation of the PA system; (iii) endorsed, with effect from 1 July 1990, the ICSC recommendations regarding the removal of regressivity from the PA system and the inclusion of pension contributions as a separate item in the PAI on the understanding that the current remuneration correction factor and floor protection measures would be discontinued; (iv) instructed ICSC to complete as soon as possible, and preferably by the end of 1991, a round of place-to-place surveys using the methodology outlined in chapter VI of its report, on the understanding that the surveys at the 7 HQ duty stations and at other duty stations with more than 150 P staff members would be finalized by the end of 1990 and that, at duty stations with small numbers of staff members, every effort would be made to utilize to the maximum the external data sources as outlined in the ICSC report; (v) requested the executive heads and the staff to cooperate with ICSC during the place-to-place survey process; (vi) requested ICSC to devise appropriate measures to deal with those duty stations where, upon implementation of a place-to-place survey, there existed a significant difference between the PAI and the actual multiplier; (vii) confirmed that, following the introduction of the revised salary scale referred to in the present resolution and pending the outcome of the respective place-to-place surveys in those locations where the index reflected in the PA multipliers exceeded the PAI, net remuneration would continue to be adjusted only to reflect currency fluctuations until the PAI surpassed the index reflected by the PA multipliers.

(e) **Mobility and hardship**

The GA: (i) approved the introduction of a mobility and hardship allowance as outlined in the ICSC report and an assignment grant, as outlined in the ICSC report and the provisions relating to the reimbursement of boarding costs on the understanding that the amounts indicated in the matrix for staff serving at HQ or in North America and European duty stations and similar designated locations would be payable from their fourth assignment only if they had served in at least two field duty stations; (ii) requested ICSC to report to the GA at its 47th session on the operation of the mobility and hardship allowance and the assignment grant.

(f) **Motivation and productivity**

The GA: (i) endorsed, with effect from 1 July 1990, the recommendations concerning structural improvements of the salary scale, which should be appropriately reflected in the scale of pensionable remuneration, and also endorsed the recommendation contained in para. 357 (a) relating to the modification of promotion policy; (ii) invited the organizations of the UN common system to take appropriate steps to introduce ICSC recommendations in respect of non-monetary awards and environment motivators; (iii) invited ICSC again to review performance evaluation systems in all

organizations of the UN common system with a view to ensuring that such systems are objective and transparent and to tying within-grade step increments and promotions to merit, as indicated in the performance evaluation reports, rather than primarily to longevity.

(g) **Allowances**

The GA: (i) endorsed the recommendations contained in chapter IX of the ICSC report and the consequential amendment to the Staff Regulations of the UN, with respect to the children's allowance in respect of disabled children, the calculation of the commutation of unused annual leave and the scale of separation payments; (ii) took note of the ICSC conclusions reflected in paras. 406 and 453 (a), (e) and (f) and confirmed, with respect to paras. 453 (b) and (c), that the terms and conditions of payment of the repatriation grant should remain unchanged in all aspects; (iii) requested ICSC to collect the necessary information on the practices of the organizations of the UN common system regarding the granting of expatriate entitlements to members living in their home countries while stationed at duty stations located in another country in order to assess the feasibility of harmonizing practices among the organizations, and to report thereon to the GA at its 45th session; (iv) also requested ICSC to reconsider the methodology for the determination of dependency allowances in the light of the tax practices of the comparator and to report thereon to the GA at its 45th session; (v) further requested ICSC to provide an overview of the package of common system allowances, including the level, rationale and procedurefor review of each allowances, *inter alia* by reference to the package of allowances provided by the comparator, and to report thereon to the GA at its 45th session.

(h) **Base salary scale**

The GA approved: (i) the establishment of a floor net salary level for staff in the P and higher categories by reference to the corresponding base net salary levels of officials in comparable positions serving at the base of the comparator civil service; (ii) revised rates of staff assessment for staff members with neither a dependent spouse nor a dependent child, to be used in conjunction with gross base salaries and gross amounts of separation payments;

(iii) a revised scale of gross and net salaries for staff in the P and higher categories and the consequential amendment to the UN Staff Regulations, together with procedures for its construction and implementation *(see section 2.1.60).*

The GA: (a) noted that only upon completion of the comprehensive review in all its aspects could the decisions in the present resolution be considered final; (b) requested the SG to make all necessary efforts to absorb in 1991 and subsequent years a significant portion of the additional costs arising in respect of the regular budget of the UN as a result of the adoption of the present resolution; (c) also requested the SG, in his capacity as Chairman of ACC, to emphasize to the executive heads of the specialized agencies the importance of assisting the respective governing bodies in taking parallel measures to the same effect.

The GA decisions on specific aspects of the comprehensive review are also summarized in the relevant subject-matter sections of the Compendium.

1990 **32nd session (July/August)**: ICSC examined, on the basis of document ICSC/32/R.16, the implications for the GS and related categories of the GA decisions arising out of the comprehensive review. It recommended to the organizations that: (a) the provisions relating to the disabled children's allowance should be applied to GS staff; (b) the mobility and hardship allowance should be applied to

internationally recruited GS staff; and (c) the assignment grant should be payable to internationally recruited GS staff *(see sections 3.20,*

3.70 and 4.30 respectively for details). ICSC also considered the issue dealing with two steps on promotion and other recommendations in the area of motivation and productivity. While recognizing the need to provide equity among both categories of staff, it nevertheless felt that in this respect there was no automatic linkage and this question should be addressed in the context of a general review of conditions of service for the GS and related categories *[A/45/30, paras. 234 and 235]*.

Also at that session, ICSC considered three implementation issues that arose in the context of the comprehensive review: (a) the movement of staff at the top of the grade to the additional step in the 1 July 1990 salary scale (see section 2.1.60); (b) the application of the current scale of separation payments to staff on the additional steps of the 1 July 1990 salary scale *(see section 4.70)*; (c) additional emoluments for staff obliged to work under particularly hazardous conditions *(see section 7.40) [ICSC/32/R.24, paras. 72-82]*.

In **resolution 45/241,** the GA reiterated its request to the UN/SG and to the executive heads of the organizations of the common system to make every effort to absorb in 1991 and thereafter a significant portion of any additional costs arising in respect of the regular budgets of all the organizations as a result of the comprehensive review.

2012 **75th Session (July):** The Commission decided to include in its programme of work for 2013-2014 a review of the compensation package of staff of the common system.

In the **resolution A/67/257**, the General Assembly noted the decision of the Commission to conduct a comprehensive review of the compensation package for staff in the Professional and higher categories, and requested the Commission, in undertaking the review, to bear in mind the financial situation of the organizations participating in the United Nations common system and their capacity to attract a competitive workforce. It also requested the Commission to report to the General Assembly during the main part of its sixty-eighth and sixty-ninth sessions, in the context of its annual report, on the progress, preliminary findings and administrative aspects of the comprehensive review and to report to the Assembly as soon as possible but no later than during the main part of its seventieth session on the final conclusions and recommendations of the comprehensive review.

2013 **76th Session (February/March):** The Commission considered document ICSC/76/R.3, prepared by the ICSC secretariat, as a starting point for the review. The HR Network, FICSA, CCISUA and UNISERV supported the project. The HR Network stated that It was crucial to aim at developing a compensation system based on a holistic approach and urged to develop a package that was transparent and simple to administer and understand, while maintaining competitive levels of compensation. FICSA suggested that the review should provide an opportunity to examine the various contractual arrangements, including those applicable to "non-staff". It also urged to safeguard fundamental components related to social protection, pensions and health insurance. CCISUA and UNISERV pointed out that contractual security and competitive salaries were critical components in attracting high-calibre staff with wide geographical representation, as were solid pensions and other benefits including medical coverage, appropriate schooling for children and sufficient support to the family. The Commission noted that the present compensation system had remained largely unchanged over a number of decades with each element reviewed incrementally and independent of each other. Therefore, the risk of fragmentation in such a system called for a holistic review of all the elements and any interdependencies. The Commission considered the following attributed in the design of a revised common system compensation package. The new system should: (a) support the delivery of the organizations' mandates and (i) be competitive, (ii) be fair and equitable, (iii) be transparent, (iv) be simple in design and easily understood by staff and stakeholders, (v) reward excellence and manage

underperformance; (b) be cohesive at its core while allowing for some flexibility, (c) be premised on overall cost containment and be sustainable going forward; (d) be applicable to all staff recruited on or after its date of promulgation while the applicability to existing staff would be considered later taking into account the acquired rights. The approach to the review should be such that it would commence with the Professional staff and then be expanded to the National Officer and General Service categories. During the discussion, the staff federations raised the following concerns: (a) job security; (b) perceived inequities; (c) staff should not be worse off; (d) social benefits/protection of staff.

The Commission **decided:** (1) to proceed with the review of the common system compensation package on the basis of the attributes and parameters outlined; (2) to establish a contact group, composed of Commission members, the Co-Chairs of the Human Resources Network and three representatives of the staff federations and supported by the ICSC secretariat; (3) to develop a detailed work plan for the review of the common system compensation package in order that the initial phase of the work plan could commence before the seventy-seventh session of ICSC.

77th Session (July): The Commission continued its review of the compensation package and considered the progress of the work done so far as well as a plan for moving forward. The Commission reviewed the attributes and goals endorsed at the previous session and summarized and complement ed them with the following mission statements: (1) The objective of the review is to ensure the continued ability of the organizations to deliver their mandates on the basis of the guiding principles and provisions of the Charter of the UN and within the framework of the common system; (2) The review aims at the system which will provide organizations with a degree of flexibility in applying the compensation package and it should attract and retain best talents, competencies and diversity and promote excellence and recognize performance. (3) The review should create a coherent and integrated system which is streamlined, transparent, cost-effective, and easy to understand by all stakeholders and provide stability and predictability required for the programming and budgeting process; (4) The ICSC, as requested by the GA in its resolution 67/257, should bear in mind the financial situation of the common system organizations and their ability to attract a competitive workforce. It was agreed that the scope of the review should include all elements of remuneration as well as other human resources management elements under the ICSC mandate to ensure the holistic analysis of the system. Implications in areas outside the ICSC authority should be flagged to the respective authorities for appropriate action. The Commission agreed that the detailed consideration and analysis should be implemented by working groups consisting of ICSC members with full participation of the organizations and staff representatives.

The Commission **decided**: (a) to take note of the information on external expatriate practices with the understanding that they would be a useful reference base for designing a revised system; (b) to endorse the review outline and modalities for further activities; (c) to establish three working groups to consider the following themes: (i) Remuneration structure, (ii) Competitiveness and sustainability, (iii) Performance incentives and other human resources issues.

In **resolution 68/253**, the General Assembly requested the Commission to provide to the GA a briefing on the progress made on the comprehensive review at the first resumed part of its sixty-eighth session. It affirmed the objectives set forth by the Commission and requested it to review all remuneration elements holistically to achieve these objectives. In addition, the General Assembly requested the Commission: (1) to ensure the comparability of the total compensation package at the United Nations, including all monetary and non-monetary elements, under the Noblemaire Principle; (2) to ensure that the executive heads of common system organizations and staff federations as well as Member States are informed of the process and have an opportunity to provide their feedback; (3) not to increase any of the allowances under its purview until the comprehensive review outcomes have been submitted to the Assembly for its consideration.

2014 **<u>78th Session (March):</u>** The Commission considered document ICSC/78/R.4, prepared by the ICSC secretariat on the progress of **the working group on the remuneration structure**, including post adjustment. The Commission acknowledged progress made by the working group and endorsed the following areas on which the working group should concentrated its work: (a) base pay scale structure, number of grades and steps, single and dependency rates of base pay, base pay adjustment, and gross salary; (b) streamlining of post adjustment; (c) social benefits including education grant; (d) field-based allowances. The Commission **decided** to request the working group to take fully into account the additional proposals put forward by the organizations and the staff, including the following: (i) explore the possibility of raising the level of the base/floor salary scale on a cost neutral basis; (ii) consider alternative ways, rather than through the dual salary scales, to recognize a dependent spouse; (iii) revise the scale structure in terms of the number of grades/steps and the use of step increments in such a way as to enhance staff moral and performance; (iv) consider alternative approaches to staff assessment and the Tax Equalization Fund in a view to eliminating the gross salary scale; (v) streamline field-based allowances, bearing in mind potential overlaps in the current package and the modality of their provisions; (vi) review the scope and rationale of education grant, including eligibility and coverage, and ways to simplify its administration; and (vii) explore a framework for granting flexible compensation tools to deal with specialized skills, exceptional performance and specific staff circumstances. Finally, the Commission requested ACPAQ to study options for simplification of the PAI structure and the impact of those changes on other elements in the compensation package.

The Commission considered document ICSC/78/CRP.5 on the progress of the working group on performance incentives and other human resources issues prepared by the ICSC secretariat. The primary objectives of the working group were: (a) to make recommendations on performance incentives and rewards and how these would be reflected in the overall compensation system; (b) to assess the flexibility of the current Headquarters/Field incentive package; (c) to make recommendations on the National Professional Officer category; and, (d) to identify areas for possible review by other working groups. The Commission considered that pay for performance was just one part of recognition, and that both monetary and non-monetary rewards and incentives were important. It was also noted that it was necessary to both recognize and reward high performance and to address underperformance. The Commission believed that performance management should be considered as part of comprehensive human resources planning strategy, starting with good recruitment policies and then managing talent with good training, development and career opportunities. There should also be a mechanism for the retention of good staff. In this context, Commission members highlighted the importance of having performance evaluation systems that worked well. The importance of experience and seniority (accumulated knowledge) should also be valued.

The Commission took a note of the progress report of the working group and **decided** that: (1) elements of the field/headquarters compensation package be considered by the working group on remuneration structure to determine the pay elements' continued relevance, the system's gaps and overlaps, as well as potential areas for simplification; (2) the linking pay more closely to performance was possible through step increments, both at the lower performance end where steps could be withheld in cases of poor performance, or at the higher performance levels where additional steps or a form of performance bonus could be introduced; The Commission requested the working group on remuneration structure to examine the question of modifying the present step structure and the working group on performance incentives and other human resources issues to review and update the ICSC framework on "Appraisal and Recognition of Performance" including the framework's module on training which should have a strong emphasis on training managers on performance management as well as staff training on the performance evaluation process. Any pending issues and the issue of National Professional Officers should continue to be reviewed at the next meeting.

The Commission considered document ICSC/78/CRP.6 on the progress of the working group on competitiveness and sustainability prepared by the ICSC secretariat. The Commission reviewed practices to expatriate compensation of a few national civil services and international organizations and approaches to competitiveness, as well as the use of special occupational rates and targeted allowances. The ICSC also considered methods to grade equivalencies. The Commission **decided** that the working group should further develop the idea of a flexible bonus, which organizations could use in exceptional circumstances within a framework established by ICSC. Regarding the grade equivalencies, it was decided that the equivalencies established with those pay systems of the comparator that had remained relatively stable should be maintained until they have significant changes and that the regular cycle of five years for grade equivalency studies should be discontinued while limited equivalency studies with other special pay systems should be considered. Furthermore, the Commission decided that the working group on the remuneration structure should study the following matters: (1) the desirability and feasibility of splitting the grades at the lower and middle grade levels; (2) the feasibility of introducing a technical track for substantive experts parallel to the managerial grades; (3) different options with regard to education grant; (4) review the mobility and hardship and assignment and relocation related allowances in order to incentivise mobility to the field which would support the organizations' mandates and mobility policies and simplify administration.

2021 **92nd session (August):** The General Assembly approved a revised compensation package for staff in the Professional and higher categories in resolution 70/244. By the same resolution, the Assembly invited the Commission to provide a comprehensive assessment report on the implementation of the package. The Commission conducted the assessment using multiple data sources: a survey of the common system organizations, the 2019 global staff survey, the latest common system staff statistics and the latest education grant claims data. The findings of the assessment are contained in documents ICSC/92/R.3, ICSC/92/R.3/Add.1 and CSC/92/R.3/Add.2.

In their survey responses, the common system organizations noted that the new compensation system was more equitable, simpler and transparent. Having a separate provision to recognize dependants was viewed as an improvement. The new education grant scheme and relocation options were viewed to be simpler and easier to explain and administer. Most field-based organizations reported that the revised compensation package was satisfactory. Positive effects were due to increases in the hardship allowance for single staff members, increases in non-family service allowance for staff in lower grades with dependants, and the new education grant, which was more favourable to staff in the field locations (A/76/30, para. 51).

The 2019 global staff survey revealed that the overall engagement level among staff in the Professional and higher categories was high. With respect to the overall views on the current compensation package, almost half of the respondents had positive views on the existing compensation system and one third were negative (A/76/30, para. 54).

The Commission, having analysed the data submitted by the organizations and inputs from the global staff survey, found that the new compensation package appeared to be aligned with the desirable attributes and facilitated the delivery of organizations' mandates. The new salary structure was perceived as more equitable, given that it supported the principle of equal pay for work of equal value. The education grant scheme resulted in administrative simplicity and overall cost-effectiveness. The revised field-related compensation components were rationalized and simplified, incentivizing geographic mobility and service in hardship locations.

The Commission underscored the magnitude of the review of the compensation system, which has been the first of its kind in more than 20 years. In any review of such magnitude, it was inevitable that

some issues would be raised regarding individual elements, but it was important to focus on the totality of the review on the understanding that specific individual elements could be further refined or adjusted over time (A/76/30, para. 92). The Commission noted that the 2015 cost projections remained valid for most of the items, with exceptions to the items modified by the General Assembly.

The Commission decided to: a) report to the General Assembly that, on the basis of the assessment, the objectives of the comprehensive review of the compensation package of staff in the Professional and higher categories were met overall; b) inform the General Assembly that, to the extent that any relevant issues, including field-related ones, had been raised by some organizations and staff federations, the Commission would examine them in the course of its normal review schedule on related items; and c) reiterate the importance of the timely collection of quality data relating to human resources to better facilitate evidence-based assessments and decision-making (A/76/30, para 95)

In its resolution 76/240, the Assembly: 1) Invited the Commission to undertake a comprehensive assessment and review of the compensation package for the United Nations common system on a five-year cycle, taking into due consideration the previously agreed objectives as well as the context both in the Members States and the United Nations common system; 2) Requested the Commission to present for the consideration of the General Assembly at its eighty-first session (i.e. 2026) this comprehensive assessment and review of the compensation system, including a detailed analysis on its cost-effectiveness, attractiveness and impact on the workforce, and proposals for updating parameters and comparators.

SECTION 2.1.100
SUPPLEMENTARY PAYMENTS AND DEDUCTIONS

1976 **4th session (June/July)**: ICSC noted the arrangements, of doubtful propriety in terms of the Charter, by which some Governments supplemented the UN earnings of those of their nationals whom they wished to induce to accept posts in the UN system. ICSC decided to include this issue in its work programme *[A/31/30, paras. 25 and 180]*.

1979 **9th session (February/March)**: FICSA presented its view that UN salaries were no longer competitive and advanced as proof, on the one hand, recruitment difficulties experienced by the organizations, and the other hand, the fact that some Member States found it necessary to offer to their nationals serving in international organizations supplements to their UN remuneration. ICSC asked further information on the latter point *[A/34/30, paras. 127-128]*.

10th session (August): ICSC was given details of legal provisions enacted by three Member States, the Federal Republic of Germany (FRG), Japan and the USA *(A/34/30, annex VII)*. It made a preliminary study of this information in relation to the adequacy or otherwise of present levels of UN remuneration and to the obligations of Member States and staff members. Noting that there were important differences between the measures adopted by the three countries and considering that other Member States might be following similar practices, ICSC decided to keep the matter under review *[A/34/30, para. 128]*.

1980 **11th session (February/March)**: ICSC reviewed the practice of supplementary payments again in connection with its study on the development of a methodology for identifying the highest paid civil service. ICSC confirmed that a study should be made of whether the US federal civil service was still the highest paid civil service, starting with a pilot study of the FRG since it was one of the countries which paid salary supplements to their nationals *[ICSC/R/212, para. 38]*.

12th session (July/August): On the request of ACC, ICSC continued to review the practice. ICSC felt that there was no evidence to suggest that the remuneration of international civil servants was by any means inadequate. There was thus no economic justification for supplementary payments to be made by any Member State to its nationals serving in the organizations of the common system or upon departure from such service. ICSC noted that whereas it was aware of the practice of the three Governments concerned by virtue of public law, it did not know or have any means of knowing what emoluments or other benefits were given by other Governments to their nationals serving as international civil servants short of such practice being made public by the Governments concerned. ICSC, therefore, recommended to the GA that it should call to the attention of all Member States that the practice of making supplementary payments of whatever nature to nationals while serving or in relation to their having served as international civil servants in the organizations of the common system was unnecessary, inappropriate and undesirable. Such payments were, moreover, inconsistent with the provisions of staff regulations and made it difficult for both organizations and staff members to ensure that such regulations were respected and enforced. ICSC, in recommending this action to the GA, reaffirmed the necessity of maintaining secretariats of the highest impartiality, integrity and independence. Article 100, paragraph 2, and Article 101, paragraphs 1 and 3 of the Charter of the UN should be respected by all parties. The Executive Secretary was requested to inform ICSC at its 13th session of developments with respect to this matter *[A/35/30, paras. 120-123]*.

The GA, in **resolution 35/214 C**, requested ICSC to keep the matter of supplementary payments under review and report to the GA at the 36th session, taking fully into account the views expressed by delegations during discussions of the item at the 35th session.

1981 **13th session (February/March)**: ICSC was informed of ACC decision 1980/17 *(ACC/1980/DEC/8-18)* requesting ICSC to examine the question of payments made by staff members being required to submit part of their emoluments to their Governments *[A/36/30, para. 86]*. ICSC recalled the limitations in its authority under its statute to resolve such questions and the lack of a mechanism available to ICSC to verify such practices. In view of GA resolution 35/214 C, ICSC decided that it would consider at its 14th session any further information from CCAQ and authorized its Chairman to obtain any additional information available from Member States already known to provide supplementary payments *[A/36/30, para. 89]*.

14th session (July): ICSC considered a report on the further consultations of its Chairman with representatives of Member States on the question. The Chairman had written to the Permanent Representatives of the FRG, Japan and the USA, requesting additional information on the basis of which ICSC could be further informed of any additional reasons for the enactment of the relevant public laws, the actual nature, extent and relative occurrence of the provision of supplementary payments and of any intentions or steps taken or contemplated to review the legislation or practices relating to such payments. Specifically, the Chairman had requested that ICSC be provided with information on the number of nationals receiving supplementary payments since the relevant laws were passed (but particularly in 1980), according to duty station and grade level at which they were employed by an organization of the UN common system; the total amount, in US dollars, of all supplementary payments paid during that period; the administrative principles according to which supplementary payments were authorized; and the procedures for the calculation of the amounts of supplementary payments. The Permanent Representatives of the USA and Japan had replied to the Chairman's request *(see annexes V and VI to A/36/30) [A/36/30, para. 90]*.

ICSC considered a legal analysis of the four main variations in the three known practices of supplementary payments, as outlined in a statement of a representative of the Office of Legal Affairs submitted under rule 38 of the ICSC rules of procedures: variations in who among their nationals were eligible to receive such payments, variations in the degree of discretion exercised in approving or disapproving the payments; variations in the amounts paid and variations in the timing of payments - whether made while the recipients were serving as international civil servants or after separation. The Legal Adviser also stated that the SG had previously considered that the practice of the US did not violate the obligation of exclusive loyalty regarding staff members specified by the Charter, since payments were only made to persons who had been seconded from the federal service and only after they had left the international civil service. No formal review had taken place of the legality of the schemes of Japan or of the FRG and neither the GA nor any other organ had ruled on the difficult legal questions involved in any of the practices of supplementary payments *[A/36/30, para. 93]*.

ICSC noted that the question of payments made by staff members to their national Governments was being studied by CCAQ, which would report thereon to ACC, and that CCAQ would later inform ICSC of any action taken by ACC. It further noted the additional information regarding supplementary payments made to staff members provided by the Permanent Representatives of Japan and the USA and decided to communicate it to the 36th session of the GA. ICSC considered that presently it was appropriate to recall its recommendation made at the 35th session that the GA call to the attention of all Member States that the practice of supplementary payments was unnecessary, inappropriate and undesirable and, moreover, inconsistent with the provisions of staff regulations *[A/36/30, para. 94]*.

In **resolution 36/233**, the GA requested ICSC to undertake a comprehensive study of the question of supplementary payments to international civil servants and all related matters.

1982 **15th session (March)**: ICSC considered the historical background to the problem of supplementary payments as well as the related discussions by the GA. After studying the matter further and taking

into account the views expressed by the Fifth Committee of the GA at its 36th session, ICSC concluded that it had already dealt with the matter within the limitations of its authority. It therefore requested the GA to take appropriate measures to remedy the situation. In that connection, it reiterated the recommendation it had made to the Assembly in earlier reports, namely, to call to the attention of all Member States that the practice of supplementary payments was unnecessary, inappropriate and undesirable and, moreover, inconsistent with the provisions of Staff Regulations. That recommendation applied to all types of supplementary payments, present and future *[A/37/30, paras. 120 and 124]*.

The GA, in **resolution 37/126**, called to the attention of Member States that the practice of supplementary payments or deductions was inconsistent with the provisions of the UN Staff Regulations and, therefore, inappropriate.

1987 **25th session (March)**: FICSA requested that ICSC reexamine the question of supplementary payments by certain Member States that were among the underrepresented nations to provide an incentive for service in the UN system. ICSC requested its secretariat to collect information on the nature of and specific reasons for such payments for its consideration at the 26th session *[ICSC/25/R.18, paras. 131 and 133]*.

26th session (July): ICSC reviewed the requested information provided by its secretariat and a note presented by FICSA on the issue. It decided to pursue the matter with a view to studying it at its 27th session and reporting further to the GA in 1988. It wished, however, to inform the Assembly already at this stage of its concerns in two areas: (a) the growing practice of countries to provide assistance to their nationals on an individual basis while employed in the UN system, which was in conflict with UN Staff Regulation 1.6 and corresponding staff rules, stating that no staff member shall accept any honour, decoration, favour, gift or remuneration from any Government; and (b) the use of reimbursable and non-reimbursable loan agreements whereby staff were made available to organizations on national (expatriate) conditions of service and the cost of which was either reimbursed or not to Member States. It also wished to recall to the GA the recommendations it had made in its 6th, 7th and 8th annual reports, in which it requested the GA to take appropriate measures to remedy the situation and in which it recommended calling to the attention of Member States that the practice of supplementary payments was unnecessary, inappropriate and undesirable and, moreover, inconsistent with the provisions of the Staff Regulations. These recommendations applied to all types of supplementary payments, present and future. ICSC recalled in particular resolution 37/126 (1982), in which the attention of Member States was drawn to the fact that the practice of supplementary payments or deductions was inconsistent with the provisions of the UN Staff Regulations and, therefore, inappropriate *[A/42/30, paras. 133 and 146]*.

The GA, in **resolution 42/221**: (a) recalled resolution 37/126 (1982), concerning the practice of supplementary payments or deductions; (b) took note of the ongoing review of the practice of supplementary payments or deductions being carried out by ICSC, in cooperation with the executive heads of the organizations of the UN common system; (c) emphasized that such a review could bring about reliable results only if full-scale information was provided by all Member States and organizations; (d) requested all Member States and organizations of the UN common system to reply promptly to requests for information by ICSC.

1988 **27th session (March)**: ICSC considered the issue, based on updated information from Member States and organizations. A summary of the information received as of July 1988 was provided in annexes II and III to the annual report *(A/43/30)*. In recalling GA resolution 42/221, ICSC decided: (a) to express its regret over the insufficient response from Member States and common system organizations and to request its secretariat to continue to collect the necessary data, analyse them and submit its conclusions to ICSC on a regular basis; (b) to reiterate its request to Member States and organizations to provide

full information on the subject of supplementary payments and deductions; (c) to note that supplementary payments and deductions by Member States contravened the staff regulations of the organizations; (d) to draw the GA's attention to the ICSC finding that the practice of supplementary payments was on the rise and to request it to take appropriate action in order to discourage supplementary payments and deductions; (e) to include the issue of supplementary payments in the comprehensive review of the conditions of service of the P and higher categories requested by the GA.

In **resolution 43/226**, the GA, recalling its **resolutions 37/126** (1982) and **42/221** (1987), requested ICSC to continue its review of the practices of supplementary payments and deductions, to pursue its collection of information on these practices and to include such information in its report to the GA at its 44th session (1989).

1989 **30th session (August)**: In response to the above request, ICSC considered a note prepared by the secretariat *(ICSC/30/CRP.6)* showing that 64 Member States, after repeated requests, still had not responded to the Chairman's latest inquiry. Three Member States that made supplementary payments provided further information. ICSC agreed to pursue its inquiry into this matter. It decided: (a) to report to the GA 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 three Member States continued to make supplementary/equalization payments on the basis of legal/administrative arrangements; (c) to urge that specific information on the amounts of supplementary payments be provided to the ICSC Chairman in time for him to report to the GA at its 45th session; (d) to reiterate its position that supplementary payments and deductions by Member States contravened the staff regulations of the Organization; (e) to recall its previous request to the GA to take appropriate action to discourage supplementary payments and deductions; (f) to request that the UN SG 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 and (i) to report to the GA at its 45th session on progress made *(A/44/30, vol. I, paras. 80 and 88-90)*.

By **resolution 44/198**, the GA took note of the above decisions and requested the SG to contact Member States which had not provided information on these payments and deductions to seek their cooperation in providing such information forthwith so that ICSC could complete its study. This study should also include a review of the impact of the introduction of the revised remuneration package on practices currently in effect. The GA also requested the SG and the executive heads of the specialized agencies to take appropriate steps to bring an end to these practices.

1990 **32nd session (July/August)**: ICSC considered the GA's request to pursue its collection of information on the practice of supplementary payments and deductions. The latest information showed that 51 Member States, among them four permanent members of the Security Council, had still not replied to the ICSC Chairman's requests for information. In a letter dated 29 June 1990 to the ICSC Chairman, the UN SG expressed his strong opposition to the practice of supplementary payments and deductions. Information was also received from five organizations (ITU, UNESCO, UPU, WHO and WIPO) in response to the Chairman's request to the executive heads for information. Three Member States that admitted the practice of supplementary or equalization payments provided further information which was reviewed by ICSC *(A/45/30, para. 209)*.

In view of the above, ICSC decided: (a) to report to the GA that 51 Member States had not replied to the Chairman's four requests for information; (b) to express its concern and disappointment over the fact that four permanent members of the Security Council, namely the People's Republic of China, France, the Union of Soviet Socialist Republics and the United Kingdom of Great Britain and Northern

Ireland figured among the 51 referred to above: (c) to reaffirm that such arrangements were unnecessary, inappropriate and undesirable and, moreover, inconsistent with the provisions of the staff regulations of the organizations and as such must stop; (d) to note with appreciation the efforts made by the SG; both as the executive head of the UN and in his capacity as the Chairman of ACC, to discharge his obligations in this regard and express the hope that he would soon be in a position to report progress on the matter; (e) to reiterate its previous requests to executive heads to pursue their efforts to gather information from their own staff on this question *[A/45/30, para. 220]*.

By **resolution 45/241**, the GA noted with concern the report by ICSC, and invited Member States that had not yet responded to the requests of the Chairman, to do so. The GA also requested the SG and executive heads of other organizations to take such measures and make such proposals as they considered appropriate to end such practices. It requested ICSC to study the practice of supplementary payments and deductions and to propose measures to resolve this problem.

1993 **37th session (March):** ICSC took up the question of supplementary payments and deductions in the context of a review of the implementation of ICSC decisions and recommendations *(ICSC/37/R.13).* Recalling its previous consideration of the matter, it noted that most agencies had made concerted attempts to obtain information on the practice, and a number of organizations had issued written instructions to staff on the subject. It considered that that would be a useful practice for other organizations to follow.

It decided to (a) request those organizations that had not already done so to issue written instructions to staff members informing them that the issuance of supplementary payments contravened staff regulations; (b) request all organizations to monitor the situation on an ongoing basis, and to so inform the GA *[A/48/30, paras. 252 and 260]*.

1994 **40th session (June/July)**: The representative of CCISUA felt it was essential for ICSC, in the context of the current examination of the Noblemaire principle, to review updated information on supplementary payments made by some countries to their nationals working for the common system. ICSC decided that its secretariat should update and examine the relevant information. ICSC would examine those data at its 41st session in the context of its study pertaining to the Noblemaire principle *[ICSC/40/R.15 para. 114]*.

1995 **41st session (May):** CSC had before it, in a report on the implementation of its decisions and recommendations *(ICSC/41/R.14 and Corr. 1),* information on action taken by the organizations on the requests made to the organizations at its 37th session *(see above)*. It took note of the information and noted that the substance of the issue of supplementary payments would be reviewed at the 42nd session in the context of the application of the Noblemaire principle. It noted the secretariat's intention to prepare a more detailed report on the subject for consideration at that time *[ICSC/41/R.19, paras. 370 and 371 (j)]*.

42nd session (July/August) ICSC considered updated information presented by its secretariat *(ICSC/42/R.10, Part I & II)* which had been collected from two sources: (a) the organizations, concerning action taken to deter staff members from accepting supplementary payments; and (b) Member States, as to whether they were engaging in supplementary payments, deductions from salaries or associated practices. Information from organizations showed that eight organizations and programmes (the UN, UNDP, UNRWA, ITC, FAO, WFP, UNIDO and IAEA) had issued specific written instructions to staff informing them that supplementary payments contravened staff regulations. Information on other action taken by organizations was also provided. Information from Member States had been sought by means of letters from the ICSC Chairman to the States Members of

the UN. At the time of adoption of the annual report, replies from 72 Member States had been received *[A/50/30, paras. 225 and 226]*.

ICSC noted that supplementary/equalization payments might take the form of: (a) more or less structured arrangements for making payments to staff either during employment in the international civil service, or on return to national service; and (b) provision, on an ad hoc basis, of an element of expenditure, e.g., housing or assistance towards same. While isolated cases of ad hoc payments had been reported in the past, none had been in the present case. Both of the legislated arrangements reported on the current occasion related to staff on secondment or detachment from the national/federal civil service of the countries concerned. ICSC considered that the subject could be viewed from two distinct angles: (a) the impropriety of supplementary payments (and deductions) in terms of the provisions of both the Charter of the UN and similar founding documents and of the provisions of the staff regulations of all organizations; and (b) the question of whether the existence of supplementary payments and similar arrangements was an indication of inadequate salary levels *[A/50/30, paras. 230-231]*.

ICSC noted that, of the Member States that to date had responded to the Chairman's request for information, only two had acknowledged the existence of such supplementary/equalization payments. One Member State which in the past had reported making such payments had in the current instance referred the matter to its capital for advice. Another Member State had announced the discontinuation of its earlier equalization payments practice *[A/50/30, para. 232 and annex XI]*.

It was clear that the incidence of supplementary payments was very small when measured against the total common system population, although its precise extent could not be gauged, given the fragmentary nature of the information on hand. Members were uncertain that ICSC had the full facts available. The absence of disclosure applied also to the organizations that, while condemning the practice of supplementary payments in general terms, had not volunteered information as to whether they entered into agreements (such as reimbursable or non-reimbursable loans) with Member States or other entities that could yield emoluments packages over and above the norm and have the same practical effect as supplementary/ equalization payments. These gaps and ambiguities made it difficult to draw decisive conclusions or to establish a firm correlation between supplementary arrangements and competitiveness *[A/50/30, paras. 233-234]*.

The view was expressed that the original rationale for the long-standing practice of supplementary payments had been to compensate officials for leaving a culturally more amenable national environment, at the request of their Government, in order to fill certain high-level functions in the international organizations. That those payments had been made at a time when common system pay levels were generally considered competitive argued against any linkage with remuneration levels per se. Other members felt that while in principle there might be a linkage, the information to hand was too inconsequential to be considered evidence of non-competitiveness. That did not, however, mean that they condoned the practice of supplementary payments, nor, for some of those members, did it mean they considered common system remuneration to be competitive. Others took the view that if Governments had felt compelled, for any reason, to provide supplementary emoluments in order to place the right person in a given job, that was evidence of an inadequate attraction capacity on the part of the common system. The fact that one of the Member States acknowledging the existence of supplementary/equalization payments on the present occasion, was the current comparator and the other had been identified as a potential alternative comparator was seen as strong circumstantial evidence of a linkage between supplementary payments and lack of competitivity *[A/50/30, paras. 235-236]*.

ICSC next reviewed the question of the propriety of supplementary payments and deductions. It recalled that it had in the past taken a strong stand on that aspect of the matter. ICSC unequivocally reaffirmed that supplementary payments were inappropriate, inconsistent with the provisions of the organizations' staff rules and at variance with the spirit of the Charter. It considered that deductions from salaries were equally inappropriate. It urged all the parties concerned - Member States, organizations and staff members - to assume their responsibilities for putting an end to such inadmissible practices *[A/50/30, para. 238]*.

That said, ICSC noted that it had been dealing with the subject periodically for 20 years. Its exhortations had not been entirely without effect; in particular, the practice of deductions from salaries appeared to be on the wane. There appeared, none the less, to be room for a more vigorous commitment to the principle of freedom from outside influence that was at the heart of the international civil service. ICSC considered that the organizations had an important role to play in the matter. It noted that while some organizations had acted on ICSC's 1993 recommendation that they issue explicit instructions to staff members reminding them of the unacceptability of supplementary payments, others had not done so, for various reasons. It considered that organizations should give tangible expression to their stated concerns in that regard, by issuing periodic instructions and monitoring the situation. ICSC acknowledged the difficulties surrounding the issue, particularly in respect of post-service equalization payments. It saw that type of arrangement as intrinsically the same as supplementary payments during service, but obviously presenting greater difficulties in terms of establishing evidence. ICSC noted with interest the monitoring arrangements being established by the Un, which could serve as a model for others, and invited organizations to share information on any measures they were taking. The view was expressed that, in future considerations of the issue, ICSC might wish to consider other approaches than that pursued to date, which had yielded mixed results at best. It was also suggested in that regard that the aspect of the influence Member States might bring to bear (by having staff members appointed at senior levels) as well as attempts by staff members to seek the influence of Governments on career-related matters, suggested a broader approach to the issue *[A/50/30, paras. 239 and 240]*.

ICSC decided: (a) to report to the GA that: (i) 72 Member States had responded to the Chairman's request for information on supplementary/equalization payments, reimbursable/non-reimbursable loans and associated practices, as well as deductions from salaries; (ii) although there was a strong presumption that supplementary payments were indicative of uncompetitive remuneration levels in the common system, the information received was too fragmentary to draw any definitive conclusions; (b) to reiterate its earlier position that supplementary payments were inappropriate, inconsistent with the provisions of the staff regulations and at variance with the spirit of the Charter of the UN. Deductions from salaries were equally inappropriate; (c) to request all organizations to issue or reissue, as appropriate, instructions to staff regarding the unacceptability of supplementary payments and to monitor the situation and report thereon to ICSC as they deem necessary; (d) to request its secretariat to continue to collect the necessary data from Member States and organizations with a view to complementing the report to be made on the matter to the GA *[A/50/30, para. 241]*.

Note: At the time of the presentation of the annual report to the GA, no additional communications had been received from Member States.

By **resolution 50/208,** the GA decided to defer to its resumed session consideration of the chapter of the ICSC report dealing with the Noblemaire principle and its application (this included the issue of supplementary payments).

1996 In **resolution 51/216,** the GA, recalling that supplementary payments were unnecessary, inappropriate and undesirable, and were inconsistent with the staff regulations of the organizations: (a) requested the

UN/SG and the executive heads of the organizations of the common system to take such measures and make such proposals as they considered appropriate in order to end such practices; (b) requested all organizations to issue or reissue, as appropriate, instructions to staff regarding the unacceptability of receiving supplementary payments; (c) invited Member States to discontinue such practices.

SECTION 2.1.110
NATIONAL PROFESSIONAL OFFICERS AND EXTENDED GENERAL SERVICE LEVELS

1976 **3rd session (March):** In the context of the review of the UN salary system, ICSC concluded that no change should be made in the existing structure of categories. It noted for further study, *inter alia*, local (or national) Professionals and other special categories *[A/31/30, para. 48]*.

1980 **1980 <u>11th and 12th sessions</u>**: ICSC examined the practices of UNICEF, UNDP, the UN Information Centres, ILO and IAEA with regard to the use of local or national professional posts in which professional duties were performed but which were remunerated according to local standards by the GS scales, extended GS scales or special salary scales. Documentation prepared by the secretariat reviewed the practices of the organizations employing local or national professionals with regard to the numbers, grades and duty stations of such staff, the duties and responsibilities assigned, the manner in determining remuneration, selection, appointment and career development policies, other miscellaneous conditions of service and the historical background to the introduction of local or national professionals in each organization as well as the justification for employing such staff. Information was also provided on past considerations and proposals formulated within the common system relating to the development of a common policy regarding such staff *[A/35/30, para. 299]*.

CCAQ considered that the fundamental criterion must be that national professionals should be employed only for functions at field offices which by their very nature required national knowledge and experience and so could not be carried out as effectively by international professionals. No post the functions of which did not comply with that criterion may be occupied by a national professional. The functions in question should be justifiable within the overall efforts of the UN system to increase national development and other capabilities; they would be such that the intention would be to hand them over to the host government (or appropriate institutions of the country) when the government so wished. The duration of particular national professional functions should thus be limited. Nationals - by definition, nationals of the country where they were to serve - should be recruited locally and not subject to assignment to any duty station outside their own country. Given the professional nature of their functions, these staff members should not be remunerated according to GS or extended GS salary scales. Any existing national professional posts with functions as described above should be removed from these categories. As the national professionals would perform functions requiring local experience, would be recruited on an exclusively local basis and would not be subject to

1980 expatriation, their remuneration should be based on the same principle as all other locally-recruited staff in the UN system, i.e., the best prevailing conditions in the locality for nationals carrying out functions of the same level. Job descriptions for national professional posts should clearly indicate those functions which required national knowledge and experience, as the justification for the inclusion of the post in the category. The work called for should correspond to professional level work as determined by the methodology established by ICSC for distinguishing between P and GS level work and posts and should be classified in accordance with common system job classification standards established by ICSC. The same staff regulations and rules as applied to other locally-recruited staff should apply in principle to national professionals. Their contractual status should be governed by the expected duration of the functions for which they are appointed *[A/35/30, para. 303]*.

ICSC considered that the G-8 staff employed at IAEA and the branch office staff of the ILO could not be grouped with the local Professionals of UNICEF, UNDP and the UN Information Centres as such staff were employed for entirely different reasons and under different circumstances. It noted that both organizations were in the process of eliminating such employment practices and, with respect to IAEA, noted this development with satisfaction, as positions in which P duties where performed should not be

placed in the GS category. With regard to local Professionals employed by UNICEF, UNDP and the UN information centres, ICSC observed that there were different interests influencing the debate on this issue - those of Member States, of organizations, of P and of GS staff. While all of these were valid, priority should nevertheless be given to those of Member States. The local Professional arrangement was in many ways responsive to the needs of Member States and in particular to those of developing countries. Besides fulfilling many of the needs described by CCAQ, the arrangement also had the advantage of associating recipient countries more intimately in the national development process. The arrangement did not develop as a means of seeking inexpensive labour nor greater economies as had been alleged, but rather to respond more efficiently and effectively to differing development needs *[A/35/30, para. 309]*.

ICSC decided to permit the employment of local or national Professionals to continue under the conditions proposed by CCAQ (see above) and to keep the arrangement under review in the future. To that effect, ICSC requested CCAQ to provide specific information to ICSC each year as its summer session on (a) the number of local or national Professionals employed by each organization; (b) the grade levels at which such staff were employed and

(c) the intention of any organization to begin employing such staff prior to actually doing so *[A/35/30, para. 310]*.

1981 **14th session (July)**: ICSC reviewed the first annual statistical report on local or national Professionals submitted by CCAQ on behalf of the organizations which employed or intended to employ such staff *[A/36/30, para. 165]*. ICSC decided that future reports on local or national Professionals would include a descriptive categorization of jobs according to the Common Classification of Occupational Groups (CCOG) established by ICSC, the type of contract, nationality and length of service of the incumbents and the numbers and types (whether international or national P) of staff supervised, if applicable. The information was to be tabulated by job, country and organization. Total numbers of local or national Professionals would be reported on a comparative year-to-year basis for each organization and would include a one-year projection of future employment levels. ICSC decided to request CCAQ to prepare its reports in order to satisfy those requirements, and it also requested CCAQ and the organizations to which it had entrusted the study on salary scales and survey methodology to expedite their work, with a view to presenting final proposals on those issues at the 16th session of ICSC, together with the expanded statistical report on local or national Professionals. This information would enable ICSC at that session to consider again the fundamental question of the use of local or national Professionals. It hoped that CCAQ could provide a progress report at the ICSC 15th session on the studies, surveys and tentative proposals developed by that time *[A/36/30, para. 169]*.

1982 **15th session (March)**: ICSC noted with appreciation the progress report on the development of a salary survey methodology for national Professionals submitted by CCAQ. It decided to defer its substantive discussion of the issues raised until after it had completed the review of the general methodology of salary surveys in field duty stations, since that would have a direct bearing on the methodology for national P surveys. It requested CCAQ to submit, at the 19th session (1984) final proposals on a methodology for salary surveys at field duty stations. ICSC also requested CCAQ to provide specific information at the 17th session on: (a) the number of national Ps employed by each organization as of 31 December 1982; (b) the grade levels at which such staff were employed; (c) a descriptive categorization of their jobs according to CCOG; (d) the type of contract, nationality and length of service of the incumbents; (e) numbers and types (national or international P, GS) of staff supervised, if applicable. The above information was to be tabulated by job, country and organization. In addition, CCAQ was requested to include a one-year projection of future employment levels. *[A/37/30, para. 232]*.

1983 **17th session (March)**: ICSC considered data provided at its request by CCAQ, concerning the number and kinds of employment of national Professionals. It decided to take note of the paper presented by CCAQ including projections for the employment of such staff for 1983. ICSC requested CCAQ to provide further information at the 19th session in order to enable ICSC to take a definitive decision at that time on the status of this group of staff members *[A/38/30, paras. 111 and 116]*.

1986 **23rd session (March)**: ICSC reviewed the use of the National Professional Officer (NPO) category by UNICEF, UNDP and UN. In its review, ICSC considered current NPO pay rates, the career, grades and structure of this category, other conditions of service and the relationship of this category to other categories of staff *[A/41/30, para. 154]*. ICSC recognized the need for NPOs in some development programmes and projects. It also recognized the evolution of that group of staff as necessary, but reiterated the limited conditions it had specified in 1980. It also considered that the category could be used in non-headquarters duty stations where there were UN information centres. The organizations concerned should develop a draft job classification standard and classification structure, as well as a salary survey methodology, for consideration by ICSC at its 25th session. In that connection, ICSC noted that it had been envisaged earlier that a supplement could be prepared for the general methodology for salary surveys of the GS and related categories. Proposals should also be made by the organizations as to how to deal with the overlap in functions of staff in the Extended GS Level (EGSL) and NPO categories, who were paid differently *[A/41/30, para. 164]*.

1987 **26th session (July)**: ICSC had before it a document *(ICSC/26/R.20 and Add.1)* prepared by UN, UNDP, UNICEF and UNHCR with regard to a job classification standard and the salary survey methodology for the NPO category, as well statistics provided by CCAQ on the employment of NPOs by some organizations *[A/42/30, para. 225]*. ICSC reaffirmed its recognition of the need for NPOs under specified conditions but expressed some concern about the increasing number of staff in this category and the expectation that this category of staff, which had been recruited for specific purposes, might expect to be appointed at the international P level. With regard to the proposed survey methodology, ICSC noted the applicability of the existing non-headquarters survey methodology for GS staff *[A/42/30, para. 229]*. With regard to the job classification standard for NPOs, ICSC decided: (a) that the Master Standard for the classification of P posts was the appropriate standard for classifying NPO posts; (b) that proposals should be made by the organizations at the 28th session on how to deal with the overlap in functions of staff in the EGSL and NPO categories. ICSC approved the proposed survey methodology for NPOs, including: (a) the selection of survey jobs and employers; (b) the adjustment for work-week differences; (c) the use of weighting in data analysis on a grade-by-grade basis; (d) the analysis of non-pensionable allowances separately from those for the GS category. It also approved the establishment of dependency allowances on the same basis as the GS category and agreed that overtime and the language allowance should not be payable *[A/42/30, paras. 230-232]*.

1993 **37th session (March)**: On the basis of an analysis of information provided on NPO usage, ICSC requested its secretariat to undertake a review of the use of the NPO category, for consideration by the 38th session *[ICSC/37/R.18, para. 180(f)]*.

38th session (July/August): ICSC considered documentation prepared in response to its above request *(ICSC/38/R.13)*. It decided to establish a working group with the participation of ICSC members and representatives of organizations and staff, to study all aspects of the employment of NPOs which should report to the 39th session *[ICSC/38/R.19, para. 95]*.

1994 **39th session (March)**: ICSC had before it the report of the above-mentioned working group *(ICSC/39/R. 7)*. Due to the lack of time, ICSC was unable to consider the item; it was deferred to the 40th session *[ICSC/39/R.10, para. 155]*.

40th session (June/July): ICSC reviewed the report of the Working Group and additional documentation *(ICSC/39/R. 7 and ICSC/40/R.10)*. ICSC decided: (a) to note the continued expansion of the NPO category, in terms of the overall increase in the number of NPOs employed and the growing number of organizations using the NPO category, as well as the range and type of functions in which NPOs were employed; (b) to recommend to the GA for consideration and adoption the revised criteria for the employment of NPOs which appear in annex VI to the annual report *(A/49/30)*; (c) to request CCAQ to provide annual reports on the deployment of NPOs; (d) to review the use of the NPO category on a regular periodic basis; (e) to request organizations planning to introduce NPOs to inform ICSC, including an explanation of the policy imperatives for their doing so; (f) to reaffirm, at the current stage, the application of (i) the Master Standard for the classification of NPO posts; and (ii) the Flemming principle for the determination of conditions of service of NPOs; (g) to apply to NPO surveys the relevant decisions approved at the 37th session in respect of the general methodology for surveys of the best prevailing conditions of service at non-headquarters duty stations; (h) to request the organizations to develop a set of standard benchmark job descriptions for global use in salary surveys for NPOs and to present them to the ICSC secretariat for review prior to their approval by the Chairman on behalf of ICSC; (i) to request its secretariat, in consultation with the organizations involved, to review the methodology for quantification of benefits applied to NPOs and to propose specific revisions, as necessary; (j) to request the organizations, in the construction of NPO salary scales, to maintain salary differentials between the NPO and GS scales consistent with the differentials observed in the GS scales. In that regard due attention should be paid to the level of international P salaries; (k) to request its secretariat to consider how best to include in ICSC's work programme the examination of the broader considerations cited in ICSC's discussion of the issue *[A/49/30, para. 244 and annexes VI and VII]*.

The GA, in **resolution 49/223**, (a) took note with appreciation of the ICSC conclusions in respect of the employment of NPOs and revision of the 1980 conditions; (b) agreed to the revised criteria for the employment of NPOs outlined in the ICSC report; (c) noted ICSC's intention to review the use of NPOs on a regular periodic basis and requested ICSC to report thereon to the GA.

2010 **71st session (July/August)**: The Commission had before it, document [ICSC/70/R.10] prepared by its secretariat which presented an overall profile of the National Professional Officers (NPOs) category and considered their associated conditions of service. The document also addressed how the revised criteria adopted by the Commission for use of the category in 2006 were applied across the common system organizations and whether any revision of those criteria was necessary.

On the basis of the data available, the use of NPOs had continued to grow since the Commission's previous review of the category in 2006. NPOs were employed in a wide range of occupational groups and under various contractual arrangements, with around 5 percent of such staff serving on permanent contracts. Approximately 11 per cent of the Officers were funded through regular budgetary contributions from Member States.

The allowances and benefits applicable to the NPO category revealed an almost complete harmonization across the common system organizations, except on the separation payments, language incentive and hazard pay. The secretariat's paper suggested that some flexibility should be afforded to the organizations with regard to implementing language incentives to the NPO category. It was also proposed that the Commission specify that hazard pay for NPOs should be made on the basis of the General Service scale, bearing in mind that that was the prevailing practice among the common system organizations and that it would be undesirable to make a distinction in the amount of hazard pay between the two locally recruited categories of staff.

The Commission decided to report to:

(a) Reaffirm the criteria of 2006 governing the use of NPOs and, in particular: (i) To remind the organizations that the employment of NPOs by a given common system organization should be grounded in a policy framework and that all staff in the NPO category must meet the criteria for their employment; (ii) To reiterate its earlier decision to reject the notion of a regional NPO; (iii) To specify that the use of NPOs at the eight headquarters duty stations was not consistent with the criteria and that their use in duty stations in developed countries might be allowed under limited circumstances where there was a need for national knowledge;

(b) To reaffirm that language allowances should not be provided to NPOs. However, organizations should be afforded the flexibility to introduce primarily non monetary language incentives to the NPO category consistent with their operational needs;

(c) To specify that hazard pay for NPOs should be paid on the same basis of 25 per cent of the mid-point of the relevant General Service salary scale;

(d) To request its secretariat to remain apprised of the use of National Professional Officers in the common system and to report thereon to the Commission every seven years.

2016 **83rd session (July/August).** The Commission was presented with document ICSC/83/R.6 which provided additional information on the use of categories of staff in the common system.

The Commission decided to request the secretariat to: (a) Undertake further studies on: (i) Issues identified in the discussions at the session on various categories (General Service, Field Service, National Professional Officer and Security Service); (ii) Practices of similar international organizations on their use of internationally and locally recruited professional personnel; (b) Develop options on the use of internationally recruited and locally recruited professional staff in the United Nations common system; (c) Present a report containing the information and findings on the use of categories of staff through a working group modality (A/71/30, para. 114).

82nd session (March) The Commission reviewed two documents (ICSC/82/R.4 and ICSC/82/CRP.3) on the overview of staff categories in the United Nations common system. The Commission tentatively identified the following list for further study on the understanding that the list could be revised on the basis of the feedback received:

(a) Rationale, definitions and characteristics of various categories;

(b) Possible overlaps of or gaps in functions among the various categories using ICSC job classification standards in line with article 13 of the ICSC statute;

(c) Review of the current criteria and guidelines for the use of the National Professional Officer category (Local Professional Officers) in view of the current mandates of organizations and the related differences in the context of work …

2017 **85th session (July)**. The Commission reviewed the report of the working group which had previously studied issues relating to the use of the … National Professional Officer… categories. The Commission decided with regard to the National Professional Officer category as follows:

The Commission decided to: (a) Recommend to the General Assembly the guidelines for the use of the National Professional Officer category, as set out in annex II;, para. 48(a) and annexes II.

The General Assembly:

Approved the guidelines for the use of the National Professional Officer category, as recommended by the Commission in paragraph 48 (a) and annex II of its report;

Invited the organizations of the United Nations common system to abide by existing rules and regulations regarding short-term duty assignments without involving a change of duty station when deploying National Professional Officers outside the country of their employment;

Underscored the need for the organizations to respect the guidelines for the use of National Professional Officers in the context of short-term duty assignments, and in this regard called upon the organizations to guard against repeated short-term duty assignments of National Professional outside their country of recruitment, A/RES/72/255, I.A.

84th session (March). The Commission was provided with additional information relating to the use of categories of staff in the General Service, National Professional and Field Service prepared by its secretariat, CEB and common system organizations.

The Commission decided**:** (a) That its secretariat should continue to review the use of the Field Service category in consultation with the United Nations and UNHCR; and (b) That the issues pertinent to the review of the use of categories of staff and other related issues raised in the informal group discussions listed in annex II be examined by a working group which would present a report for consideration by the Commission at its eighty-fifth session (ICSC/84/R.8, para. 45 and annex II).

SECTION 2.1.120
CONDITIONS OF SERVICE OF ASSISTANT SECRETARY-GENERAL, UNDER SECRETARY-GENERAL AND EQUIVALENT LEVELS

1990 **32nd session (July/August)**: The conditions of service of the ASG/USG and equivalent levels had been considered by ICSC in 1989 as part of its review of the conditions of service of staff in the P and higher categories. Further study of this item was deferred to 1990, at which time ICSC reviewed pay comparability, housing, pensions and allowances including representation (hospitality) allowances. In document ICSC/32/R.10 the secretariat drew attention to the following functional characteristics as being peculiar to the ASG/USG levels: (a) these were fixed-term appointments, and in many cases, of a relatively short duration; (b) the appointments were for positions that included, in some cases, a representational component as an integral part of functional responsibilities; (c) the appointees were predominantly government nominees on secondment often, in the case of the UN, from the diplomatic service; and (d) the appointees were senior in terms of qualifications, experience and age *[A/45/30, paras. 110 and 111]*.

ICSC discussed its authority to make recommendations on this item, noting that all salary scales for the P and higher categories recommended by ICSC contained levels for ASG/USG. Furthermore, ICSC recommendations on all allowances applied to this group of staff. With regard to the representation allowance, which had been set prior to the establishment of ICSC, both articles 10 and 11 could be interpreted to include ICSC jurisdiction in this regard. ICSC recalled that efforts to establish grade equivalencies studies with the comparator to determine whether net remuneration levels at the ASG/USG levels were appropriate *vis-à-vis* those of the comparator had failed, since neither the comparator nor the common system maintained a grading system for these levels. ICSC reviewed data that showed that at D-2 levels, from which ASG/USG levels were extrapolated, the net remuneration margin was much narrower than at lower levels. Some ICSC members considered that this information suggested that the root of the problem existed at the D-1/D-2 remuneration levels, whatever problem might exist at the ASG/USG levels would also be corrected since these levels were determined by extrapolation from D

2. In such a situation the differentials used for extrapolation above D-2 could be maintained unchanged *[A/45/30, paras. 115-117]*.

With regard to housing, ICSC considered that there was a case to be made for those officials who, as a result of work requirements, needed to maintain larger, better quality housing in close proximity to their work location than was currently possible. It further noted that at the ASG/USG levels little or no benefit was derived from the rental subsidy scheme. It was proposed that further changes in the rental subsidy would be necessary if any impact was to be made on the problem. A number of members observed that there may be some connection between the current inadequate housing arrangements and the practice of some officials in accepting supplementary payments *(see section 2.1.100)*. In a number of instances it appeared that supplementary payments were directed towards providing senior officials with a better standard of housing than could be acquired under present remuneration arrangements. Accordingly, some members believed that the provision of more adequate housing for staff at that level would help solve the problem of supplementary payments. Nevertheless, scepticism was expressed by a few members on this point, as they believed that some supplementary payments would continue to be paid and received even after more adequate housing arrangements were provided *[A/45/30, paras. 118-119]*.

Members agreed that, should a decision be made to improve housing arrangements for those at the ASG/USG and equivalent levels, the most appropriate means would require that executive heads be authorized to exercise judgement as to the need for such arrangements on a case-by-case basis. Precise

guidelines to meet the needs of each organization would best be developed on the basis of their respective needs. Once it was determined that the particular senior official was entitled to rent a larger dwelling at a suitable location as a result of the nature of the functions, a substantial portion of the extra cost associated with the acquisition of such accommodation should be reimbursed by the organization, by placing a limit on the amount of the rental subsidy received. In this regard, ICSC was of the view that the maximum amount of rental subsidy paid to an official falling in the above category could equal 75 per cent of the threshold rent for the official concerned *[A/45/30, paras. 120-121]*.

With regard to pensions, ICSC noted that some officials at these levels were appointed from external sources while others rose to these positions after a significant length of service at lower levels within the common system. It considered a proposal for a dual pension system at these levels, but did not feel that it had sufficient information to deal with the issue at its current session *[A/45/30, para. 122]*.

With regard to representation allowances, ICSC noted that a diversity of needs and practices existed between and within organizations. The question of the appropriate level and modalities for providing hospitality allowances for representational functions was thus not susceptible to common system treatment *[A/45/30, para. 123]*.

ICSC decided: (a) that no action was required at this time with respect to pay comparability for the ASG/USG levels; (b) to recommend to the GA that revised housing arrangements for those at the ASG/USG and equivalent levels be established; (c) to inform the GA that it had made a preliminary review of the proposal for alternative more flexible pension and end-of-service arrangements, but concluded that no further work should be pursued in this regard without having additional information on the subject; and (d) to inform the GA that, after study of representation allowances, it had been determined that the matter was not susceptible to common system treatment and would best be handled by the executive heads under guidance from the governing bodies of their respective organizations *[A/45/30, para. 124 and annex XI]*.

The GA, in **resolution 45/241**, requested ICSC to reconsider, in a comprehensive manner, the remuneration of staff of organizations of the UN common system at the ASG/USG and equivalent levels, taking into account, *inter alia*, the remuneration levels of equivalent positions in the comparator civil service, representation and other allowances, housing arrangements and pensionable remuneration levels, and to report to the GA at its 46th session.

1991 **34th session (August)**: Following further review of the matter, ICSC decided to recommend to the GA that: (a) direct equivalencies could not be firmly established between the common system and the comparator civil service but approximate working equivalents could reasonably be set as follows: (i) USG = Comparator levels Ex. II to Ex. III; (ii) ASG = Comparator levels Ex. III to Ex. IV; (b) an increase in net remuneration levels for the ASG/USG levels in a range of 7 to 11 per cent to reflect improved conditions of service at the comparator's equivalent levels of the Executive Schedule could be considered. The specific level of increases should be determined by the GA in the light of such recommendations as the SG might wish to make bearing in mind the desirability of establishing net remuneration ratios *vis-à-vis* the comparator service which were in line with those prevailing for the P-1 to D-2 categories of staff as a whole; (c) revised housing arrangements for those at the ASG/USG and equivalent levels should be established as follows: (i) executive heads would be authorized to exercise discretion to approve the granting of subsidy arrangements in cases where they were needed to rent accommodation suitable in size and location; (ii) the current arrangements whereby a limit was placed on the maximum allowable rent for the purposes of calculating rental subsidies would be replaced by new arrangements whereby eligible officials would receive a maximum rental subsidy amounting to 75 per cent of the threshold rent for the individual concerned; (d) the PR scale in respect of ASG/USG and equivalent levels should be adjusted commensurate with changes in net

remuneration, but alternative pension arrangements should be deferred pending further study; (e) representation allowances were not susceptible to common system treatment and would best be handled by executive heads under guidance from the governing bodies of their respective organizations *[A/46/30, vol. I, paras. 160 and 173]*.

By **resolution 46/191**, the GA noted that proposals were being advanced for the restructuring of the UN Secretariat and that the SG intended to conduct a review of representation allowance, honorariums and related matters. It also noted the recommendations of ICSC and views of other bodies on the remuneration of staff at the ASG and USG levels, and decided to defer to its 47th session a decision on this subject.

1992 In order to assist the GA in its reconsideration of this item, ICSC restated its earlier recommendations in its eighteenth annual report *[A/47/30, para. 207]*.

1993 The GA in **resolution 47/216** decided to revert to the consideration of the conditions of service of ASG and USG and equivalent levels at the earliest possible opportunity.

SECTION 2.1.130
REMUNERATION STRUCTURE

1988 In **resolution 43/226**, dealing with the comprehensive review of the conditions of service of the Professional and higher categories, the GA, recalling resolution 42/221 (1987) requested ICSC, in the context of equalizing purchasing power, to consider among other alternatives the division of the pay package into its component parts, one of which would be housing, reflecting the spending patterns of staff *(the full text of the resolution is reflected in section 2.1.90)*.

1989 **29th session (March):** ICSC had before it the report of the Preparatory Working Group on the Comprehensive Review, comprising *inter alia* a consideration of the structure of the remuneration system. The Working Group had examined five options *(see ICSC/29/R.6/Add.1)*. ICSC decided that options V and VI included in the Working Group's report *(cf. para. 68)* did not seem viable and should not be developed further *[ICSC/29/R.11, para. 68]*.

30th session (August): ICSC considered the report of the Working Group on the Comprehensive Review, which had examined in detail the remaining options proposed, as well as two additional options. A number of alternatives to the current remuneration system were examined, based on the principle of the removal of housing from PA. The approach found most viable was presented by the Working Group in its report *[ICSC/30/R.4/Add.2]*. Two others also considered were described in the report.

ICSC noted that as part of the comprehensive review, it had arrived at a number of proposed simplifications in the current remuneration system *(see section 2.1.90)* and in particular the PA system *(see section 2.1.70)*. However, further simplification could be achieved only if housing was treated as a separate element of the remuneration package outside the PA system.

On the basis of its analysis, ICSC agreed in principle that the removal of housing from the PA system was highly desirable and would be an essential step towards a simple and equitable remuneration system. However, it was not in possession of sufficient data on the effects of the proposed remuneration structure to make fully informed policy decisions and arrive at appropriate recommendations to the GA. Such a major departure from current practice required further careful study, including further testing of various aspects *[A/44/30, vol. II, paras. 186-188]*.

ICSC recalled that the GA had requested it to include in its report on the comprehensive review a preliminary assessment of the impact of the relevant recommendations on pensionable remuneration. It would be difficult to arrive at any firm conclusions concerning this matter until a viable alternative to the current remuneration system was identified. ICSC, nevertheless, considered it essential that the basic tenet of GA resolution 41/208, i.e., the income replacement approach using the totality of net remuneration at the base of the system, should continue to be used *[A/44/30, vol. II, paras. 193 and 194]*.

ICSC decided that a working group, composed of members of the secretariat of ICSC, CCAQ, FICSA and CCISUA, should be established to prepare a report on all outstanding issues related to remuneration structure for consideration at the 31st session. The Working Group should guide the ICSC secretariat in undertaking further tests on the structure proposed as well as on a limited number of other options. The alternative structures considered should bear in mind the basic essentials stipulated by the GA of simplicity, transparency and administrative convenience. The test results should enable ICSC to address the following questions: (a) could inter-city comparisons of housing costs be eliminated without introducing insurmountable difficulties in the remuneration system? (b) should inter-city comparisons of housing costs be eliminated for all duty stations or for a selected

group of duty stations, for example, the field? (c) should housing costs be treated as a separate element of remuneration not subject, or only partially subject, to margin constraints? (d) what would be the impact on the remuneration of UN officials if housing costs on both sides were taken into account in margin calculations, or if they were taken into account only on one side? (e) what would be the impact on the pensionable remuneration of UN staff in the P and higher categories if housing costs as a separate element of the remuneration package were subject to full, partial or no control through margin constraints? (f) what would be the estimated costs of the various alternative structures? (g) what alternatives might be considered to the option proposed by the Working Group? On the basis of further testing and simulations under changing economic conditions, ICSC expected to be in a position to address the above questions in detail at its 31st and 32nd sessions and present a report on that aspect of the comprehensive review to the GA at its 45th session *[A/44/30, vol. II, paras. 196 and 197]*.

The GA, in resolution 44/198, noting with concern that it had not been possible for ICSC to recommend the introduction of a revised remuneration structure: (a) took note of the view of ICSC with regard to the proposal that housing should be treated separately from the rest of the remuneration package and of the ICSC decision relating to undertaking further work on remuneration structures, contained in para. 196 of vol. II of its report; (b) urged ICSC to complete its consideration of all issues related to the introduction of a revised remuneration structure for the UN common system, including its impact on margin considerations and on the housing needs of staff in hardship duty stations, and to submit its final and complete conclusions to the GA at its 45th session.

1990 **31st session (March)**: ICSC considered the report of the Working Group established at its 30th session. The Group had examined three alternative remuneration structures. Under structure 1, housing was to be treated as a separate element of the remuneration package for all duty stations. Under structure 2, it was to be treated as a separate element for field duty stations only. Structure 3 was essentially the current system. The Working Group also agreed that if housing were removed from PA, it would also have to be removed from margin calculations *[A/45/30, para. 60]*.

During the discussions, ICSC noted that the recommendations of CCAQ had changed substantially since ICSC had considered the matter in 1989 (at which time CCAQ had advocated a revised remuneration structure based on the separation of housing from PA). In response to queries, members learned that the revised position of organizations was based upon a number of factors, the most important of which were the inconclusive nature of the test results and margin considerations. On the basis of the ensuing discussion, it became apparent that no single factor alone had led to a reconsideration of the relative merits of the proposed structures *[A/45/30, paras. 68 and 69]*.

ICSC noted the proposal by CCAQ for a Working Group to consider housing and structures, which had been supported by staff representatives. It emphasized that, should such a group be established, it should undertake a technical review of possible solutions to well-defined problems and then review the contribution that each of the three structures, however modified, could make to a solution of the problems identified. It was generally agreed that the review should provide an appropriate rationale for whatever recommendation ICSC at its 32nd session would make to the GA at its 45th session. On the basis of those considerations, ICSC decided to establish a Working Group composed of members of the secretariat of ICSC, CCAQ, FICSA and CCISUA to study further the treatment of housing and related issues under the remuneration system *[A/45/30, paras. 72 and 73 and annex VI]*.

32nd session (July/August): The Working Group report, together with the report of the 15th session of ACPAQ, constituted the basis on which ICSC continued its consideration of housing and remuneration structures. The Working Group report presented a detailed statement of problems associated with the treatment of housing under the present remuneration system as well as a summary of advantages and disadvantages identified in respect of structures 1, 2 and 3. In addition, the report

outlined an alternative for the treatment of housing under the present remuneration system including modifications to the rental subsidy scheme and to the measurement of housing costs in the PA system.

The Working Group reported on the following problems associated with the treatment of housing under the present remuneration system: inequity, imprecise measurement, the difficulties experienced with the current rental subsidy scheme and the effect of rising housing costs under a post adjustment freeze. Under the present remuneration system, rental subsidies were paid only to staff members who rented their dwellings, and homeowners were excluded from its application. The Group noted the implications for the rental/purchase decision of a staff member but the issue of home ownership by staff members was excluded from consideration as those matters went beyond its terms of reference *[A/45/30, paras. 74 and 75; see annex VI for a summary of the Working Group's consideration of problems of housing in the present remuneration system]*.

The Working Group's report revealed that while each proposal had a number of advantages and disadvantages, it was not possible to arrive at an unequivocal position as to which was the best structure in principle. As a result of the work of the Working Group, ICSC had before it a proposed set of measures for the improvement of the treatment of housing with the present remuneration system which may be summarized as follows: (a) the retention of the approach entailing housing comparisons as a general rule. One exception would be small duty stations where such comparisons were difficult; (b) the use of PAIs based on gross rather than net rents; (c) a modified rental subsidy scheme; (d) the use of external data sources and housing standards to provide objective information on market prices for time-to-time measurements *[A/45/30, paras. 76 and 77]*.

Some ICSC members believed the Group should have further analysed each structure proposed including questions of margin control and the calculation of pensionable remuneration. To those members the Working Group appeared to have dismissed structure 1, using arguments which were not convincing to all members. Some of the disadvantages listed were in fact the advantages that had led ICSC, in the previous year, to inform the GA of its preference for a structure wherein housing was treated separately. Some members still thought that a new system based on the exclusion of housing from post adjustment would solve the problems of inter-city comparisons, equity and simplicity. It was pointed out, however, that a number of the key problems concerning pensions and the margin were not solely technical in nature. It was also noted that in 1989 ICSC had reported to the GA the desirability of a salary structure that separated housing from PA comparisons. Other members, however recalled that ICSC had not reported a decision to the GA but had rather indicated clear reservations about taking a position without further studying problems related to that structure. ICSC agreed that the presentation of the final report to the GA could not be further delayed and that the proposals of the Working Group, with some amendments proposed by ACPAQ and improvements introduced during the session, should be adopted. Nevertheless, members believed that ICSC should continue studying methods that could lead to the complete separation of the housing component from other elements of the remuneration package *[A/45/30, paras. 83-86]*.

ICSC invited the GA to note that, under its statutory authority, it was empowered to take decisions concerning PA and rental subsidy matters. However, bearing in mind that its proposals in this area formed an integral part of the overall conditions of service of the P and higher categories of staff arising from the comprehensive review and that significant financial implications were associated with these proposals, ICSC considered that it would be appropriate to make recommendations to the GA concerning the treatment of housing within the remuneration system and the revised rental subsidy scheme. It therefore decided to recommend to the GA that: (a) the treatment of housing within the remuneration system should be improved by a series of measures focused to distinguish between duty stations where housing could be maintained within the PA system and those duty stations where housing should be separated from the PA system. Housing should be maintained in the PA system in

Group A duty stations covering HQ, North American and European duty stations and field duty stations where housing comparisons could be made without serious difficulty. Housing would be excluded from the PA system for duty stations in the field where valid housing comparisons were difficult or impossible. These would constitute Group B duty stations; (b) the treatment of the housing component in the calculation of PAIs at Group A duty stations would be as follows: (i) place-to-place comparisons of housing costs would be retained as an integral part of the PA system; (ii) post adjustment indices would incorporate housing cost relativities derived from gross, in place of net rents, so as to reflect correct place-to-place housing cost relativities. In the case of homeowners imputed gross rents would be used; (iii) time-to-time adjustment of the housing component of the PAI would be governed by housing price indices using external data as recommended by ACPAQ; (iv) revised rental subsidy scheme: at Group A duty stations eligible staff members would be entitled to rental subsidies under a unified revised rental subsidy scheme applicable at both HQ and field locations *(see section 2.1.72 for details)*; (v) maximum reasonable rents (HQ and field): rental subsidy payments for staff from P-l to D-2 would be subject to maximum reasonable rents which would be set at a point equivalent to three quarters of the range of rents applicable for the duty station as determined by external sources using specifications based upon the duty station housing standard (see (vi) below); (vi) housing standards (HQ and field): would be developed by the ICSC secretariat for use in connection with the time-to-time updating of housing costs as well as for determining maximum reasonable rents for the housing schemes; (vii) threshold levels (HQ and field): a simplified method would be used to calculate these in the future by adding 2 percentage points to average gross rent-to-income ratios; (viii) eligibility (HQ and field): eligible for rental subsidy payments would be: a. those already in receipt of rental subsidy at the time of introduction of the new scheme; b. newcomers to the duty station; c. those forced to change accommodation owing to changes in the family size; d. those forced to move as a result of the deterioration of security in the current location; e. those wishing to move to housing of an acceptable standard from their current accommodation below the defined standard; f. *force majeure* situations, including forced eviction, demolition, conversion to cooperative/condominium and a combination of unreasonable rent increases linked with a resulting rent/income ratio above threshold levels; (c) treatment of housing at Group B duty stations: (i) these duty stations could be identified using as criteria the presence of some or all of the following, or similar, conditions: a. small numbers of staff at a duty station; b. high staff turnover at the duty station; c. widely disparate housing costs; d. government-provided housing; (ii) housing costs at each duty station would be reimbursed up to a reasonable maximum and the PAI would be calculated using the following procedures: a. a PAI would be calculated on the basis of comparisons of prices of all items of expenditures, except housing; b. actual housing costs incurred by staff members would be reimbursed fully up to a reasonable maximum determined in accordance with the market rates and the family situation of the staff member; c. the total remuneration package of the staff member would consist of base salary, post adjustment, as appropriate, and reimbursable housing costs, it being understood that the sum of those elements would be subject to a floor equal to base salary; (iii) to start with, these experimental arrangements would be implemented at approximately 25 duty stations in the field, to be selected by the ICSC Chairman in consultation with the organizations and staff. The selection would be on a broad geographical basis including some duty stations where external data sources are available.

The revised procedures for the treatment of housing at these duty stations would be subject to review and evaluation after a full 3 years of operation. On the basis of the experience gained, ICSC would consider modifying the arrangements as appropriate, in particular in reviewing the criteria for distinguishing between Group A and Group B duty stations. Entitlements provided under this scheme would not be recognized as constituting any acquired rights *[A/45/30, paras. 95 and 96]*.

By **resolution 45/241**, the GA: (a) noted with concern that it had again not been possible for ICSC to recommend a revised remuneration structure that would result in greater transparency and simplicity;

(b) noted that ICSC intended to review and evaluate the proposed procedures for the treatment of housing in the light of the experience gained; (c) urged ICSC to continue its examination of the remuneration structure, in particular the treatment of housing and to report its findings to the GA as appropriate, taking into account the views expressed in the Fifth Committee; (d) took note of the ICSC recommendations with regard to the treatment of housing; (e) requested ICSC, as a matter of urgency, to continue to take measures to improve the measurement of the housing element in the remuneration system; (f) also requested ICSC to establish a pilot project designed to simulate the operation of the ICSC proposals in a limited number of field duty stations where valid housing comparisons were difficult or impossible, on the understanding that housing would remain within the PA system, and to report on the experience gained with that project to the GA at its 46th session; (g) further requested ICSC to examine experience gained with the functioning of the current rental subsidy scheme for HQ locations and to review its proposals for a revised expressed by Member States in the Fifth Committee on the need to improve the rental subsidy scheme, without losing sight of the purpose of the scheme of facilitating the resettlement of new staff members and of encouraging mobility within the common system and to submit its conclusions and recommendations on the subject to the GA at its 46th session; (h) decided to introduce, with effect from 1 January 1991, as a provisional arrangement, a revision to the current rental subsidy scheme at HQ locations that provided for reimbursement over a 7-year period at the rate of 80 per cent for the first 4 years and 60 per cent, 40 per cent and 20 per cent, respectively, for the 3 years thereafter.

[Subsequent deliberations in this area are reflected in sections 2.1.70: post adjustment and 2.1.72: rental subsidy.]

SECTION 2.1.140
OTHER SALARY MATTERS

1976 **3rd (March) and 4th (June/July) sessions:** In conducting its general review of the UN salary system in response to GA **resolutions 3357 (XXIX) and 3418 (XXX)**, ICSC dealt with a wide range of salary issues. One of these was the differentiation between remuneration of staff with dependants and staff without dependants. ICSC arrived at the following conclusions: (a) differentiation between the overall net remuneration of staff members with and without dependants should be effected through differentiated rates of staff assessment applied to a uniform gross salary and producing differentiated rates of net salary (rather than through the PA system, as at present); (b) in the interest of greater comparability between UN and US remuneration, the extent of differentiation between remuneration of staff with and without dependants should increase as the salary level rises. The appropriate ratio should range from approximately 94:100 at P-l level to 91:100 at USG level *[A/31/30, paras.* 59 *and 60].*

ICSC also decided that it would study further the problems to which its attention had been drawn relating to the level of remuneration of certain specialist occupational groups v such as medical doctors, and the best way to accommodate such groups in the UN grading pattern and salary scale *[A/31/30, para. 148].*

1985 **22nd session (July):** By resolution 39/27 the GA had requested ICSC to review the report of the Jill *(A/39/522 and Corr.1)* on staff costs and some aspects of utilization of human and financial resources and the related comments of ACC *(A/39/522/Add.1)* and the views of Member States and to report thereon to the GA at its 40th session *[A/40/30, para. 80].*

ICSC decided to make the following observations after having reviewed the JIU report, the comments made thereon by ACC and the representatives of organizations and staff as well as by the Inspector at its 22nd session: (a) the GA in resolution 3357 (XXIX) (1974) had entrusted to ICSC the responsibility for making recommendations and decisions on scales of salaries and allowances, post adjustments and other conditions of service; (b) the GA in resolution 37/126 (1982) had reaffirmed the role of ICSC and requested all bodies making proposals for action on personnel matters affecting the system to coordinate them with ICSC and thereby avoid duplication of efforts; (c) a large part of the JIU report was devoted to remuneration of the P and higher categories in the common system, which was within the province of ICSC; (d) with the establishment of ICSC, the role of the JIU had presumably been changed 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 JIU report 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 JIU had met in 1983 to ensure close cooperation and avoid unnecessary duplication and competitive studies. On seeing the first draft, the ICSC secretariat had pointed out to the Inspectors its potentially rival nature, and the need for consultations with other agencies involved. The Inspector's report had nevertheless been finalized and submitted directly to the GA with no observation of full consultation procedures *[A/40/30, para. 93].*

1992 **35th session (March)**: ICSC considered documentation (transmitted in ICSC/35/R.8), submitted by the IAEA/DG to the IAEA Board of Governors concerning problems caused by the P salary system. The IAEA/DG had requested ICSC: (a) to review the documentation so as to be aware of the problems encountered by IAEA; (b) to identify those problems that were part of the Commission's work in the salary area and to indicate when and how they were expected to be resolved; (c) to identify those problems that should be pursued by the IAEA.

In the view of ICSC, some of the issues raised in the IAEA document were also applicable to other common system organizations; the IAEA request therefore had far- reaching implications, which needed to be considered carefully before any recommendations could be formulated. The issues involved would have to be carefully studied following receipt of the organizations' views. ICSC also considered that it would be necessary to report to the GA on that item. It requested: (a) CCAQ to submit its views and proposals with regard to the issues addressed; (b) its secretariat to examine the issue of appropriate remuneration levels for speciality occupations in the P and higher categories in common system organizations *[ICSC/35/R.17, paras.* 69 *and 80].*

36th session (August): ICSC took note of the report of a Working Group established by the Consultative Committee of WIPO which had examined in detail information on the evolution of P remuneration and of the cost of living in New York and Geneva during the period from January 1975 to January 1992. It expressed its appreciation to the WIPO/DG for making it possible for ICSC to be represented at the meetings of the Working Group and for inviting the Chairman to participate in the Coordination Committee's deliberations on the Working Group's report *[A/47/30, paras.* 194, *196 and 203].*

ICSC was informed by CCAQ, pursuant to ACC decision 1991/9 (which requested CCAQ to submit concrete proposals to ICSC in 1992 on new approaches to conditions of employment of staff in the P and higher categories, with a view to having the matter considered for submission to the GA as soon as practicable), that, in June 1992, CCAQ had convened an informal working group, to discuss new approaches to conditions of employment of staff in the P and higher categories. The informal working group had noted the increasing specialization of some agencies and the attendant difficulty of recruiting and retaining staff with the necessary expertise. Developments in the comparator service suggested two possible approaches to that problem: (a) agency differentials, whereby a number of specialized agencies would be permitted to apply net remuneration levels in excess of those of the rest of the common system. Those levels could fluctuate between prescribed limits based on criteria and guidelines to be established. The agency differential would be expressed as a percentage of net base salary and would be non-pensionable; (b) occupational differentials, whereby higher levels of net remuneration would be permitted for certain fields of work where a lack of competitiveness of pay levels could be demonstrated. The differential would be expressed as a percentage of net base salary and would be non-pensionable.

The group's report had been presented to CCAQ which had agreed to its presentation to ICSC. However, not all organizations had yet had the opportunity to review those potential arrangements. CCAQ had in the past been hesitant about the introduction of occupational rates and a number of organizations remained skeptical on that score. The following comments were made on the hypothesis that some agreement had been reached on the introduction of such rates: (a) CCAQ was not sure that the CCOG provided a clear enough definition for identifying the occupations to be covered. It would be necessary to identify which work, in terms of required expertise and experience in a given occupational field, warranted the application of a special rate; (b) the criteria for determining the occupations to which special rates might apply could be based on comparison with the relevant labour markets, both in the comparator country and in regional or other international organizations, with which the UN competed for staff in the occupations in question; (c) in terms of the structure of special pay, CCAQ preferred special rates to be paid in the form of a non-pensionable salary differential;

(d) with regard to the maintenance, increase or elimination of special pay, CCAQ considered that ICSC should regularly monitor the system. Special pay would not constitute an acquired right *[A/47/30, paras.* 155-156 *and 161-162].*

ICSC considered that agency-wide special rates would be difficult to implement without serious damage to the common system. Special occupational rates, on the other hand, could offer an effective management tool for the executive heads to recruit and retain staff of the required calibre in some highly specialized technical occupations, for example, nuclear safety inspectors and/or engineers, telecommunication specialists,

1992 legal experts dealing with highly specialized matters, aviation experts, etc. ICSC noted that the comparator had successfully used special occupational rates in a number of instances *[A/47/30, paras. 172-173]*.

ICSC recalled that it had been invited, in GA resolution 46/191, to enhance its responsiveness within the common system to the concerns and needs of the different organizations. It considered that the area under review was one in which it could demonstrate such responsiveness without breaching the common system. ICSC was not in a position to enter into the details of a scheme of special occupational rates, including the criteria and the procedure to be used for the identification of specific occupations, but felt that, even at this stage, the principle of their establishment could be recommended to the GA. It considered that a detailed study of the overall scheme of special occupational rates should be undertaken by its secretariat with the active cooperation of the organizations. In particular, the following points would have to be addressed: (a) criteria for defining fields of work/occupations across agencies; possible adaptation of CCOG codes for that purpose; (b) criteria for determining application of special occupational rates; (c) structure of special occupational rates (that is, percentage of salary; extra steps/bonuses etc.); (d) pensionability of the additional amounts paid;

(e)
procedure for eliminating/reducing the amount paid under special occupational rates; (f) administrative modalities for applying special occupational rates in practice;

(g)
details concerning the number of staff who might be affected.

While noting that some agencies appeared cautious about occupational rates, ICSC viewed the further study as one which would permit a structure to be recommended. Whether individual agencies adopted any such structure could be left to their discretion *[A/47/30, paras. 174-175]*.

ICSC decided to report to the GA that, on the basis of the information available, it was of the view that special occupational rates could be introduced in the common system as a means of addressing recruitment and retention problems for some specialized technical fields. It invited the GA to endorse this approach in principle. ICSC would then work closely with the organizations with a view to identifying specific occupational groups in technical fields where serious recruitment and retention difficulties were being encountered. At the same time, ICSC would address the modalities for the payment of special occupational rates and submit its recommendations to the agencies involved as part of its annual report for 1993. ICSC would also submit a detailed report, including its recommendations, to the relevant specialized agencies and to the GA at its 48th session. The modalities for the establishment of special occupational rates developed by ICSC in cooperation with the organizations would also be reported to the GA in 1993 *[A/47/30, para.* 177].

The GA in **resolution 47/216**, endorsed in principle the introduction of special occupational rates in the common system and requested ICSC to submit recommendations for the GA's consideration at its 48th session. Special occupational rates should be specific to individual posts where there were demonstrable recruitment and retention problems and should be time-limited.

1993 **37th session (March)**: ICSC reverted to the question of special occupational rates on the basis of a document by its secretariat *(ICSC/37/R.8).* The document concluded that two conditions, both of which were currently deficient in the common system, were necessary for the establishment of special occupational rates: (a) the ability to identify consistently the same occupational groups/field of work across all common system organizations; (b) the ability to substantiate objectively, difficulties in recruiting and/or retaining staff. The responses received from the organizations in that regard were varied, with smaller organizations better able to cope with the data requirements of a special occupational rates system than the larger organizations *[ICSC/37/R.18, paras.* 62-*63].*

CCAQ stated that the majority of organizations remained opposed to the introduction of special occupational rates. Some organizations continued to believe that some form of occupational rates might be workable, but only if they were flexible and allowed considerable discretion to the executive head *[lCSC/37/R.18, para. 64].*

ICSC considered that in establishing special occupational rates, a balance was required between rigid procedures designed to ensure uniform application of the system and the flexibility required by the organizations in administering the system. The cost of administering the system should not outweigh its benefits. ICSC noted that the GA considered that a special occupational rates system should be related to specific posts. The CCOG application within the common system was, however, neither complete nor uniform, rendering difficult the identification of specific posts. ICSC considered that, once specific posts were properly identified for inclusion in a special occupational rates system, the number of such posts should be fairly limited. ICSC recalled that specific details of recruitment/retention difficulties had proved difficult to obtain from the organizations. Since a special occupational rates system required such information in order to function appropriately, within the parameters determined by the GA, ICSC concluded that the modalities for determining recruitment/retention difficulties required further specification through consultations between its secretariat and the organizations.

With regard to time limits on specific occupational rates, ICSC noted the difficulties encountered by the comparator in eliminating or reducing such rates once established *[ICSC/37/R.18, paras. 68-70].*

ICSC noted that the GA had requested it to examine the impact of special occupational rates on the net remuneration margin and had requested a report thereon at its 49th session. It considered that that issue should be examined after the modalities for the implementation of special rates were defined *[ICSC/37/R.18, para. 72].*

ICSC decided that it should move forward with the development of a special occupational rates system for application within the UN common system. It considered that further work was required to determine the modalities and specific conditions for the implementation of a special occupational rates system. It therefore requested its secretariat: (a) to consult with the organizations to determine: (i) the modalities with regard to the identification of specific occupations and demonstrable recruitment/retention difficulties; (ii) the conditions that could determine the time-limited nature of special occupational rates; (iii) other modalities required for an operational system, *inter alia,* the pensionability of the payments; (b) to submit a report to ICSC at its 38th session to permit it to make a final decision on the implementation of a special occupational rates system within the UN common system *[ICSC/37/R.18, para. 74].*

38th session (July): ICSC examined two alternative special occupational rates schemes for application within the common system were reviewed: the one that had been before ICSC at its 37th session and a

second scheme emanating from the consultations held with the organizations between the 37th and 38th sessions.

ICSC noted that a large majority of organizations did not favour the introduction of special occupational rates. Special agency-wide rates were supported by some organizations. It noted that special agency rates would be detrimental to the common system and had been introduced in the comparator service largely to address staffing problems for agencies involved with a specific problem having an unprecedented impact on the US economy as a whole, i.e., the regulation of savings and loans institutions.

ICSC further noted that demonstration of recruitment and retention difficulties was a basic requirement for the establishment of special occupational rates. The organizations should have the ability to recruit and retain exceptional staff through recourse to exceptional means, but such exceptions should be limited in time and number. ICSC noted that the proposal put forward by the organizations interested in a special occupational rates system would cover 60 to 70 per cent of their P staff. There was also no indication of the duration of such special payments.

Some members considered special occupational rates a means of addressing inadequate overall salary levels. In that regard, ICSC noted that it would be reviewing various aspects of P remuneration in 1994 and that it could re-examine the item in that context. ICSC concluded that the organizations pursuing special occupational rates were, in fact, interested in implementing special agency rates which ICSC had previously rejected and which it continued to consider unjustified in the common system. ICSC intended to keep abreast of developments in that regard, but considered that it would not be appropriate to recommend a system of special occupational rates to the GA at the present time *[A/48/30, paras.* 144-147 *and 153]*.

The issue of the **relationship between hours of work and remuneration** had come before ICSC at the request of the *WIPO/DG* and the ITU Consultative Group. The thrust of the WIPO proposals was that the P A system should be modified to permit consideration of differences in working hours between New York and Geneva. Specifically, it was proposed that since the working hours were 40 hours per week in Geneva and, on average, 35.8 in New York (35 hours per week, except during sessions of the GA, when they were 37.5), net remuneration in Geneva should increase by 11.8 per cent to account for those differences in working hours.

ICSC noted that the establishment and maintenance of relevant working hours were determined locally by the organizations of the common system. ICSC had dealt with that issue only in the context of specific remuneration issues, *inter alia*, the treatment of working hours in the context of GS survey methodology, the measurement and comparison of total compensation *vis-à-vis* the comparator, and the relationship of working hours to overtime and shift differential payments. ICSC considered that the work performed by the P and higher categories could best be defined by tasks and/or projects as opposed to working hour increments. ICSC addressed the technical requirements that should be taken into account if working hour increments were to be considered as a basis for adjusting the net remuneration of the P and higher categories. In that regard, it noted that the analysis by WIPO, which seemed to be supported by ITU and ACC views on the issue, adjusted net remuneration for weekly work schedule differences without consideration of the actual hours worked in a year. Furthermore, because of differences in leave provisions and other time-related provisions of the organizations, an accurate measurement of annual working hours, by duty station, would need to be calculated before consideration could be given to the adjustment of remuneration for that factor. It noted in that regard that some organizations of the common system granted compensatory time off for overtime worked by P staff. It further noted that leave, in addition to that reflected in the standard common system leave package, was granted by some organizations. Those and other differences made it necessary to

measure annual working hours accurately. ICSC considered that annual working hours were not measured by simply placing the weekly work schedule of Geneva in the numerator of a fraction and the average weekly work schedule of New York in the denominator, as proposed in the WIPO calculations. It noted, in addition, the detailed calculations that would need to be applied to a comprehensive database reflecting organizations' practices on working hours and leave before any conclusion could be arrived at. ICSC therefore decided to maintain the current common system practices with regard to working hours *[A/48/30, para. 180]*.

By **resolution 48/224**, the GA concurred fully with the views expressed by ICSC regarding the relationship between hours of work and remuneration, and endorsed the ICSC decision to maintain the current common system practice with regard to working hours.

1994 **39th session (February/March)**: Noting that the WIPO/DG had characterized as "unjust and unfounded" the ICSC decision on the relationship between hours of work and remuneration, ICSC expressed the hope that the WIPO Coordination Committee would not be guided by that reaction and that it would not be necessary for ICSC to revert to the subject *[ICSC/39/R.I0, para.* 36*]*.

1995 By **resolution 50/208**, the GA: (a) took note of the recruitment and retention problems faced by some organizations in respect of certain specialized occupations; (b) recalled its endorsement in principle of the use of special occupation rates in organizations with problems of recruitment and retention; (c) in this context, requested the organizations to collect data to substantiate these problems and ICSC to make recommendations regarding the conditions for the application of such rates, as appropriate.

2001 **53rd session (June):** Under the 1992 Maastricht Treaty of European Union, on 1 January 1999, the Euro became the official currency of the participating European member States and replace their national currencies vis-à-vis the euro. Although national banknotes and coins have not yet been replaced, banking became possible both in euros and in the national currency. On 1 January 2002, the final changeover to the euro begins when euro notes and coins are launched in circulation. They will replace notes and coins in national currencies, which will be withdrawn after a short dual circulation period, by 28 February 2002 at the latest. From then on the national currencies of the participating will be no longer be valid for everyday use and the euro will become their sole legal currency. The advent of the euro will have a direct effect on the United Nations common system wherever euro-zone payments are made, planned or recorded. In order to ensure a smooth and orderly transition to the euro, a number of changes will be, or have already been, introduced by the organization in various areas, such as budgeting, accounting, payroll and procurement. Although these areas fell almost exclusively within the administrative responsibility of the organizations concerned, some issues required the attention of the Commission so that a consistent approach was adopted.

The Commission recommended: (a) to the GA and/or organizations that as of 1 January 2002 the euro be used as the official currency for those emoluments which are currently set in the national currencies of the 12 euro-zone countries. The national currency amounts would be converted by applying the respective fixed conversion rates and then rounded up or down to the nearest euro; (b) to the General Assembly the converted values of the education grant for 9 currency areas and of the children’s and secondary dependant’s allowances for nine locations which will change over to the euro as of 1 January 2002; and (c) that organizations officially convert to euros, where applicable, their respective GS salary scales and allowances as of 1 January 2002 on the basis of the approach referred to in paragraph (a) above. *[A/56/30, para. 86]*

In **resolution 56/244**, the General Assembly approved recommendations in (a) and (b) above and invited organizations to officially convert into euros, where applicable, their respective General Service salary scales and allowances as of 1 January 2002.

CHAPTER 2
SALARIES
(GENERAL SERVICE AND RELATED CATEGORIES)

SECTION 2.2.10
METHODOLOGY FOR DETERMINING BEST PREVAILING CONDITIONS OF SERVICE

1976 **3rd (February/March) and 4th (July/August) sessions:** ICSC continued its review of the salary system and took up the issue of the methodology for determining the best prevailing conditions. ICSC concluded that because it had not yet examined the problems which arose in the application of the principle that the remuneration of the GS category should be established by comparison with best prevailing conditions at each duty station, it was not in a position to express any judgement on the principle itself. It therefore decided to examine the question in detail in 1977 in pursuance of its functions under article 12 of its statute and reserved the possibility to submit later recommendations to the GA about the broad principle. ICSC maintained that the allowances and other entitlements of the GS category (which are part of the remuneration) should continue to be established by comparison with local conditions in each duty station. ICSC would therefore define the methods for application of this principle, in conjunction with those for salaries, under article 11 of its statute, and would consider and determine the rates of GS allowances in particular duty stations when it recommended (or, upon request, determined) GS salary scales under article 12 of its statute in those duty stations *[A/31/30, paras. 82 and 83]*.

In **resolution 31/193 B** the GA: (a) noted the requests of WHO and ILO to ICSC to assume as soon as possible the functions described in article 12, paragraph 1 of its statute, particularly with respect to the salary scales of the staff in the GS category at Geneva; (b) noted with satisfaction the ICSC decision to advance the assumption of these functions in response to these requests; (c) requested ICSC, as a matter of urgency, to establish, under the authority of article 11(a) of its statute, the methods by which the principles for determining conditions of service in the GS category at Geneva should be applied and, on the basis of such methodology and under the authority of article 12, para. 1, of its statute, to cause a survey of local employment conditions at Geneva to be made to make recommendations as to the salary scales deemed appropriate in the circumstances and to inform the GA at its 32nd session of the actions taken in this regard; (d) further requested ICSC, in its examination of conditions of service of the GS category at Geneva, to examine the basis on which recent substantial salary adjustments of staff in that category were determined and to take them fully into account in its consideration of the salaries of that category of staff and the methodology for future salary adjustments, in so far as they affected GS staff at Geneva; (e) urged ICSC, in carrying out these tasks, to take into account all aspects and especially para. 29 of the JIU report on some aspects of the strike at the UN Office at Geneva from 25 February to 3 March 1976, the joint comments on the report received from ACC and the comments of SG on recommendations Nos. 3 and 4 of the report of JIU and invited its comments; (f) requested the UN/SG to provide to ICSC within the first half of 1977 job descriptions for the GS category at Geneva, grouped according to common job functions, in order to enable ICSC to carry out its survey task.

1977 **5th session (February/March)**: ICSC noted that the number of grades into which the GS category was divided varied from duty station to duty station. It recognized that such variations reflected both differing organizational needs and differing practices in the local labour markets, and concluded that standardization of the number of grades in the scale at all duty stations should not be an absolute requirement. The aim should be to ensure that equal work was equally remunerated, whether or not the number of grades was the same. Within a single duty station (such as Geneva) it was, however,

essential that there be a common grading structure and grading standards. ICSC expressed the hope that the organizations at Geneva would take steps to bring their own grading for comparable jobs into line with the grades which had been found appropriate by reference to outside salaries and so achieve the desired uniformity in grading and remuneration. ICSC also noted that the number of steps provided in each grade varied, both from duty station to duty station and from grade to grade. It recalled that steps within a grade did not reflect different levels of responsibility but were intended to provide staff members with a regular increment in remuneration reflecting increasing seniority, independently of such improvement as they might obtain through promotion to a higher grade. Advancement from step to step was normally annual, subject only to certification that the staff member's performance and conduct had been satisfactory. The number of steps per grade was thus determined largely in light of the promotion policies and prospects in different organizations, for different occupations and at different levels, the aim being to ensure that throughout the number of years a staff member could normally be expected to remain in a given grade before receiving a promotion, he or she would receive an annual increment. The number of steps in each grade should therefore not be artificially standardized for the sake of uniformity. However, appropriate overlaps between the spans of successive grades should be maintained *[A/32/30, paras. 67 and 68]*.

ICSC considered the general principle and methodology for establishing the conditions of service of the GS category according to the following plan: (a) the basic principle, i.e., whether GS remuneration should continue to be established in relation to local conditions or by some other criterion; (b) if local conditions continued to be the basis, which local conditions should be used (best prevailing conditions, or some other); (c) the methodology for determining local conditions; (d) the translation of the data obtained concerning local conditions into internal salary scales; (e) the other benefits and allowances of the GS category *[A/32/30, para. 72]*.

ICSC also inquired whether the principle of "best prevailing conditions" remained valid and whether the organizations could not obtain the staff they required by offering conditions not necessarily comparable to those of the best employers. In particular, it considered whether the conditions offered by the local public service in each country would not be adequate, in other words, something like a country-by-country application of the Noblemaire principle. It was provided with information on the existing relationship between GS salaries and local public service salaries in certain headquarters countries and noted that (after making allowance for the fact that precise grading equivalencies with each of those services had not been established) there were wide variations between the margins existing for example, in New York, Geneva and Paris. Such variations were likely to be even more marked if the comparisons were made in other, non-headquarters, countries. It concluded that there was no uniform relationship between public service salaries and those of other employers (whether the best or the average) in each country. ICSC further concluded that, while the principle of comparison with local public service salaries might prove satisfactory in some duty stations, it might not be satisfactory in others. To take local public service salaries as the base and to add on to them a margin, the proportion of which would have to vary from place to place, according to the relationship of local public service rates to those offered by other employers in the locality, would avoid none of the disadvantages of comparison with best prevailing conditions and might be open to other objections. ICSC therefore concluded that a comparison based solely on local public service rates was not feasible as a general principle applicable to all duty stations. Pending possible further examination of the principle in the light of the experience it would acquire in various duty stations, ICSC saw no alternative to comparison with best prevailing conditions. In the meantime that principle remained in force until such time as it might be amended by the GA and would therefore be applied for the survey to be carried out at Geneva in 1977 *[A/32/30, paras. 77 and 78]*.

(a) **basic principle**: ICSC noted that since 1946 the GA had adopted the principle that GS salaries should be established by reference to local conditions, at first in New York and subsequently in each

other duty station. It considered the possibility of an international scale, similar to the Noblemaire principle for the P category, or regional scales, but observed that in either case the scale which was adequate for the country with the highest salary levels would be too high for other countries. In order to correct a single standard scale to take into account differences between national levels, it would be necessary to establish a system of adjustments similar to but distinct from the post adjustment index used for P salaries, which would be prohibitively complicated. ICSC therefore concluded that there was no feasible alternative to the determination of salaries of the GS category by reference to local conditions in each duty station *[A/35/30, para. 75]*.

(b) **which local conditions should be used**: ICSC noted that the principle of comparison with "best prevailing" local conditions had been enunciated by the 1949 (Flemming) Committee of Experts and confirmed in its essence by all subsequent review bodies. Its rationale was that the organizations, in order to obtain staff of the standard required, should be able to compete with other employers of staff of equivalent qualifications, i.e. those offering the best prevailing conditions of employment in the locality. ICSC noted also that the earlier formulation "best prevailing rates" had been replaced by "best prevailing conditions", which implied that the comparison should rest not only on the rates of pay but, more broadly, on all the other conditions of employment, such as security of tenure, promotion prospects, retirement and health insurance schemes and fringe benefits *[A/32/30, para. 76]*.

(c) **the methodology for determining local conditions**: ICSC noted that the 1965 "Guiding Principles" provided for three different methods: (i) for large cities, where there were reliable published data on outside salaries (e.g., New York), those data might be used, supplemented by spot checks of rates paid in key jobs by a small number of reputedly good employers; (ii) for other large cities, where there were no published data (e.g., Geneva, Paris, Rome), surveys should be made, either of the whole labour market, using statistical sampling techniques, or of a fairly large number of outside firms reputed to be among the best employers; (iii) for cities where there were smaller numbers of UN staff (e.g., field duty stations) limited surveys should be made or use made of the results of surveys made by other employers.

ICSC concluded that, while the methodology it established should be sufficiently precise to ensure that the best information was obtained, some flexibility for adaptation to local circumstances was desirable *[A/35/30, paras. 81 and 83]*.

ICSC noted that henceforth, whichever of the methods for ascertaining best prevailing local conditions was adopted in a particular case, it was ICSC itself which was responsible for deciding on the method and the details of its application and for analysing the results, drawing conclusions from them and recommending a salary scale in every duty station for which it assumed responsibility under article 12 of its statute. When a survey was to be made to collect data, that survey would necessarily be made under the responsibility of ICSC *[A/32/30, paras. 80, 83 and 84]*. Three possible ways of collecting data were considered: by ICSC's own secretariat; by a firm of consultants working on behalf of ICSC; or by the organization(s) in the duty station acting on behalf of ICSC under article 27 of the statute. The representatives of the organizations informed ICSC that their preference varied according to the duty station considered. ICSC concluded that whatever method was chosen should satisfy accepted statistical principles of validity to achieve the desired result of indicating conditions which were representative of "best prevailing conditions". Changes in method from one survey to another should be avoided as far as possible, although ICSC, in assuming its responsibilities for surveys, could obviously not be bound by the practices adopted hitherto by other bodies *[A/32/30, paras. 86 and 87]*. ICSC also considered the question whether local public services should always be included among the employers to be surveyed. ICSC agreed that, provided satisfactory job matches could be found, the conditions of employment of the local public services should in any case be surveyed. If they were found to be among the best, they would automatically be included in the analysis of the result. If they

were found to be comparable to those of the good employers surveyed, to include them nevertheless would constitute a change in the principle of best prevailing conditions; ICSC could therefore not include them as long as that principle remained in effect but might reconsider the question when it re-examined the basic principle *[A/32/30, paras. 90 and 91]*.

It was agreed that data should be collected on salaries and on all bonuses or allowances generally paid to all relevant staff of the outside employer, such as "thirteenth month", vacation or end-of-year bonuses, transportation allowances, etc. Until such time as ICSC might possibly be in a position to make a comparison on the basis of "total compensation", all data which might prove useful should be collected; ICSC would decide later which elements should be used for direct comparison, which taken into account in a general, non-mathematical comparison and which disregarded. Significant differences in hours of work should be taken into account; on the other hand, the entitlement to annual leave represented an aspect of the organizations' social policy which was common to both categories of staff and which, not having been taken into account in the comparison or remuneration of the P category with that of the US Civil Service, should not be used for direct comparison for the GS category, although it might be relevant to a general comparison of overall conditions of employment. In general, account should be taken of any benefits or facilities available to staff of the organizations in the same way as of those granted to outside employees. Data should be collected from each employer and for each job on the basis of rates paid to staff actually employed, in addition to maximum and minimum scales where such existed. The age of the employee, length of service with the employer and length of service in the function should also be collected, together with the sex (in order to ascertain whether there was any discrimination in pay rates on the basis of sex). Since the internal rates with which comparison was to be made were the net rates, the outside gross earnings found by the survey should be converted to net by applying average income tax paid by a single person (tax benefits available to taxpayers with dependants being taken into account in determining the level of the internal dependency allowances). However, benefits in cash and kind which were not taxable should be added at net value after the net remuneration had been arrived at *(A/32/30, paras. 95 and 96)*. As regards the internal matching point (step of the relevant grade) with which the external salary, once established, should be compared, ICSC considered various possibilities: the mid-point of the grade, a step determined by comparison of the average ages and/or lengths of service of staff outside and inside in the matching jobs, the average step of staff in the grade in the organizations or a graduated scale from step 1 for entry grades to the top step for senior positions. The methods using age and/or seniority or the average step of staff in the grade were criticized on the ground that they depended too much on the composition of the staff at the moment of the survey and might vary from survey to survey. The consensus of ICSC was that the step to be used as the internal matching point should be determined by the job descriptions used for the match. Thus a job defined as a beginner's job should be matched with beginners outside and equated to step 1 of the grade inside (and such matches would be particularly valuable because they were more easily identifiable); a senior job should be defined in terms of the amount of seniority required and equated to a corresponding step (near or at the top of the grade) inside. Between those extremes the step corresponding to the average step of staff members in the grade might be used. The salary scale could not be constructed solely on the basis of the rates found by outside comparison for the different grades. The scale should have a certain internal balance in the intervals between grades, the span of grades and the points of overlap between them, and those relationships must not fluctuate unduly as a consequence of differing results found outside by each successive survey. The construction of the scale must therefore be a matter of judgement, reflecting trends observed outside in the relativities between pay levels for different jobs, but preserving internal harmony and avoiding the distortions which might be produced by too rigid application of the survey results. The basis for construction of the scale should be the classification structure derived from organizational and management needs as well as from the market situation; consequently, the number

of grades and the number of steps in each grade might vary from duty station to duty station *[A/32/30, paras. 99 and 100]*.

Having been obliged by circumstances to assume its responsibility under article 12 of its statute for recommending salary scales for a particular duty station (Geneva) before it had been able to complete consideration in general terms of the principles and methodology involved, ICSC had no choice but to proceed empirically. It decided therefore that it would reach its final conclusions on the general issues involved in the light of the experience it would acquire in conducting surveys in a number of HQ duty stations. It expected that those findings would take the form of a text (or texts) to replace the 1965 "Guiding Principles" *[A/32/30, para. 112]*.

6th session (August/September): ICSC had before it: (a) the report of its working party and additional information on the preparatory stages of the Geneva survey; (b) a report on the data collected, supplemented by computer print-outs of all the salary data obtained together with details of the sex, age and length of service of the employees concerned (in most cases, individually, but in a few cases by averages for groups of similar employees); (c) analyses of the data from various standpoints and illustrations of the effects of applying different methods of interpretation of the data; (d) the views of the staff associations of six of the organizations, together with separate views presented by the staff association of the seventh organization (WIPO) *[A/32/30, para. 142]*.

ICSC concluded that, while there were considerable variations from employer to employer in the non-cash benefits which they provided to their employees, the general level of other conditions of employment offered by the best employers in Geneva was high. When those conditions were compared with those offered by the organizations of the UN system, although no precise mathematical comparison was possible in most cases, it could be said that UN conditions were better in some respects while those of some outside employers were better in others. Given the method finally adopted by ICSC, it was obliged on this occasion to limit itself to a general judgement that the other conditions of employment existing among the whole group of 22 employers were broadly comparable to those provided by the organizations; in consequence, it decided that it would not be appropriate to single out those conditions which did lend themselves to mathematical comparison, such as hours of work, and to use them to make adjustments to the salary data obtained. ICSC intended, however, to give further study to this question in the light of its experience with subsequent surveys and to deal with it when in due course it established a general methodology for the determination of GS salaries under article 11 of its statute *[A/32/30, para. 156]*.

The second approach would be tantamount to considering that all of the 22 employers belonged to the group of "best" employers, and using the best rates found among them for each job. There was a risk that, at least with one of the two methods envisaged under that approach, the result might be influenced by an exceptionally high rate found for one job in an employer whose rates for other jobs were not among the best. After careful consideration of the relative merits of the different approaches, ICSC concluded that, for the present survey and in light of the data obtained, the second approach would be more appropriate. It emphasized, however, that choice would not prejudge the method to be used for other surveys having regard to the characteristics of each survey; only after ICSC had carried out several surveys would it formulate a general methodology *[A/32/30, paras. 168 and 169]*.

In **resolution 32/200**, the GA noted with appreciation the report on the action taken by ICSC, under article 12, para. 1 of its statute and in compliance with GA resolution 31/193B of 22 December 1976, with respect to the salaries of the staff in the GS category at Geneva.

1980 The GA, in **resolution 35/214 A** noted the surveys of best prevailing conditions for the GS and related categories carried out by ICSC under article 12 of its statute, including the second such survey at

Geneva, and requested ICSC to continue to study the general principles and methodology for surveys to determine the conditions of service of the GS and other locally recruited categories, including the determination of gross salaries, taking into account the views expressed in the Fifth Committee at the 35th session of the GA.

1981 **13th session (February/March):** ICSC addressed itself, at the request of FICSA, to matters relating to the **conditions of service of the GS staff at field duty stations**. In particular, ICSC was requested to take up three specific questions: security of tenure and career structure; **methodology for salary surveys**; and dependency allowances. Concerning the development of a methodology for salary surveys in the field, ICSC recalled its thorough deliberations and the decisions taken on the subject in the context of its plan for the over-all review of the general methodology for determining the conditions of service of the GS category *[A/36/30, paras. 163 and 164]*.

By **resolution 36/233**, the GA reaffirmed the importance of the application of common salary scales, as recommended by ICSC under article 12 of its statute, for all GS staff at a particular duty station and requested on, *inter alia*, general principles and methodology for surveys to determine the conditions of service of the GS and other categories of locally recruited staff members, including staff serving at field duty stations.

1982 **15th session (March)**: ICSC adopted the provisional text of the **general methodology for HQ duty stations** and agreed to consider any comments on the provisional text received from CCAQ and FICSA but not to reopen the general discussion of the methodology *[A/37/30, para. 152]*.

16th session (July): ICSC examined document ICSC/16/R.8 on selected issues to be covered by the eventual **general methodology for non-HQ duty stations**. ICSC noted its work on the general methodology had as a broad objective the development of a methodology which would apply the same principles at all HQ duty stations and, with some modification, to all non-HQ duty stations while allowing for flexibility in the application of the principles to account for local conditions *[A/37/30, para. 147]*.

ICSC **approved the general methodology for HQ duty stations in its final form** *(A/37/30, annex II)*. A review would be conducted following the second cycle of surveys of HQ duty stations. As regards the study of a general methodology for non-HQ duty stations, ICSC agreed with the need to consider all elements relating to the methodology in full and to postpone consideration of a final methodology until its 18th session. It provided some broad guidelines to assist its secretariat in its further studies and requested that a status report be submitted at ICSC's 17th session. In so doing, ICSC authorized its secretariat to participate in an observer status at the field level, in selected surveys, in order to collect data required by ICSC *[A/37/30, paras. 152 and 153]*.

In **resolution 37/126**, the GA took note of the general methodology for surveys of best prevailing conditions of service of the GS staff and related categories approved by ICSC for application to HQ duty stations.

1984 **19th and 20th sessions (March and July)**: ICSC considered a general methodology for surveys of best prevailing conditions of service at non-HQ duty stations, drafted by its secretariat, following tripartite technical discussions among the ICSC secretariat, the administrations and staff representatives [A/39/30, para. 178]. ICSC approved the general methodology for promulgation with effect from 1 January 1985 (ICSC/20/R.28, Add.1). It decided to review the methodology at its 25th or 26th session in the light of experience gained in its application. It was also considered that the HQ methodology for surveys of best prevailing conditions of service should be reviewed at the same time to ensure that there was consistency between the two methodologies [A/39/30, paras. 182 and 183].

By **resolution 39/69**, the GA noted that ICSC had approved a methodology for surveys of best prevailing conditions of service for locally recruited staff at non-HQ duty stations which was to be applied from 1985 onwards and requested ICSC to keep under review the implementation of the methodology for surveys of best prevailing conditions of service for locally recruited staff at non-headquarters duty stations and to re-examine, where necessary, the technical aspects of the methodology in the light of experience.

1987 **26th session (July)**: ICSC had before it document ICSC/26/R.6, which presented relevant issues related to the general methodology for surveys of best prevailing conditions of service at **HQ duty stations**. ICSC's role in that regard was particularly relevant since the Vienna survey, conducted in March and April 1987, had brought to a close the second round of HQ surveys. Accordingly, it was appropriate for ICSC to review and revise, where necessary, the HQ methodology before the beginning of the third round of surveys, scheduled to begin in the spring of 1988 *[ICSC/26/R.25, para. 67]*. ICSC decided: (a) to exclude employers from the survey analysis with average salaries that were 10 per cent below those of the next higher employer, but to review each exclusion on a case-by-case basis; (b) to include approximately 20 employers in the survey analysis; (c) to request classification benchmark job descriptions in support of survey jobs proposed by local administration and staff representatives for inclusion in the survey; (d) to delegate to the ICSC Chairman the responsibility for selecting survey jobs and employers. ICSC further decided to request the Chairman to bring to its attention in a timely fashion any points of contention that might arise in the planning phase of the survey; (e) to request its secretariat to develop as part of the methodology a list of data elements which should be requested from survey employers with regard to peripheral survey data, e.g., social security benefits; (f) to continue to retain one-incumbent job matches for those employers with established job classification systems and systematic salary-setting practices; (g) to continue to emphasize the collection of average salary data as opposed to individual salary data; (h) to revise the criteria used to determine whether a benefit should be quantified by eliminating the requirement that the benefit or a close equivalent should be offered by a sizeable number of surveyed employers; (i) to adopt the criteria of the non-HQ methodology in determining whether a non-pensionable allowance should be established; (j) to adopt the criteria of the non-HQ methodology in determining whether benefits should be quantified on the basis of market value or employer cost; (k) to make the working hours adjustment at gross salary levels consistent with the non-HQ methodology; (l) to emphasize the use of the interpolated 75th percentile method in determining outside matching salaries per job; (m) to adopt the dual pay-line method in comparing net salaries per grade; (n) to include the interim adjustment process in the methodology document. ICSC requested its secretariat to make the appropriate revisions to the current methodology, in consultation with representatives of the organizations and the staff, and to provide it with the revised methodology at its 27th session for its approval *[ICSC/26/R.25, paras. 75 and 76]*.

ICSC had before it a document prepared by CCAQ on the operation of the general methodology for salary surveys at **non-HQ duty stations.** ICSC noted the organizations' satisfactory experience in applying the methodology to date and decided to schedule an in-depth review at a future session, at which time it would examine, *inter alia*, the specific points raised by the organizations regarding the determination of pensionable and non-pensionable elements of remuneration and the quantification of low-interest loans and in-kind meal benefits *[ICSC/26/R.25, paras. 77 and 81]*.

1988 **27th session (March)**: ICSC considered the draft text *(ICSC/27/R.10)* of the **revised methodology for HQ duty stations** incorporating the changes to the general methodology adopted in 1982 that it had approved at its 26th session *[ICSC/27/R.24, para. 108]*. ICSC decided that it had not received any new information that would alter the decisions, it had taken at its 26th session, regarding: (a) exclusion of employers from the survey analysis; (b) quantification of benefits. As part of its consideration at its 26th session, it had also decided to maintain much of the methodology in use at that time, including with regard to the treatment of other elements of paid (cash) remuneration as described in paragraphs 42 (a) and (b) of document ICSC/27/R.10. ICSC was not convinced that there was a need to change its

decision as proposed by CCISUA. With regard to the clarification of the proposed text of the methodology ICSC decided that: (a) the description of a subsidized meal should be maintained; (b) the description of data based on minimum/maximum or average salaries could be further revised; (c) for interim adjustments between comprehensive surveys, the reference period should be so selected as to avoid the need for retroactive payments; (d) background and explanatory material should be deleted from the final text of the methodology; (e) an explanation of selected aspects of the data and analysis process should be provided in annexes to the methodology (specifically with regard to the 75th percentile method, logarithmic weighting and the dual pay-line method). With regard to the survey questionnaire ICSC agreed to certain minor revisions as proposed by FICSA. ICSC also decided to include in the methodology a number of annexes on selected aspects of the data analysis process. Some of ICSC's decisions, particularly the deletion of background and explanatory material, had a consequent effect on the text of the methodology *[ICSC/27/R.24, paras. 144-147]*. The final text of the revised methodology for HQ duty stations was issued in document ICSC/27/R.25.

1990 **32nd session (July/August)**: ICSC addressed a point of clarification in the application of the interim adjustment procedure for use between surveys, which had arisen in the context of the New York survey in 1990. This involved the date when the interim adjustment procedure, approved by ICSC at the time of the previous GS survey, should cease to operate. ICSC was informed that the secretariat normally discouraged interim adjustments on the survey reference date or between the survey reference date and ICSC consideration of the survey results. It was noted, however, that the issue was not explicitly dealt with in either the HQ or the non-HQ survey methodology. ICSC decided to review the issue in the context of the review of the HQ survey methodology at its 35th session *[ICSC/32/R.24, paras. 31 and 38]*.

In **resolution 45/241**, the GA noted that ICSC would review in 1991 the methodology for the conduct of salary surveys of the GS and related categories and requested ICSC to present a report on this matter to the GA at its 47th session (1992).

In the same resolution, the GA, recalling that the work programme of the JIU included a study on the question of grade overlap between the P and higher categories and other categories of staff in the UN common system, requested ICSC to consider the relativities between the terms and conditions of service of staff in the P and higher categories and those in other categories as well as the broader question of the recruitment and retention of staff.

1991 **34th session (August)**: ICSC considered a document containing proposed arrangements for the review of the general methodology for surveys of best prevailing conditions at both HQ and non-HQ duty stations *(ICSC/34/R.10)*. It decided: (a) to request its secretariat to carry out consultations with representatives of the administrations and the staff at an informal working group prior to its 35th session to prepare a preliminary document which would enable it to provide policy guidance to a formal working group; (b) to establish a formal working group to be convened after that session, including members of ICSC and representatives of the administrations and staff to report to the 36th session; (c) to complete the review of the methodology for HQ duty stations in 1992 and to address the issue of the methodology for non-HQ duty stations in 1993 *[A/46/30, vol. I, paras 176 and 184]*.

By **resolution 46/808**, the GA noted the decision of ICSC to complete in 1992 its review of the methodology for conducting surveys of best prevailing conditions of employment for the GS and related categories of staff at HQ locations. It requested ICSC to conclude this review and to report thereon to the GA at its 47th session.

1992 **35th session (March)**: ICSC considered the report of the above-mentioned informal working group on the review of the methodology for surveys of best prevailing conditions at HQ duty stations. Following an exchange of views on the issues highlighted in the report, ICSC decided to establish a working

group, consisting of three ICSC members, three representatives of CCAQ and two representatives each of FICSA and CCISUA. Its terms of reference were to review the material provided to ICSC at the 35th session in the light of the views expressed, and to report to the 36th session its views on the Flemming principle, the modalities for its application and the survey methodology. Where revisions were required, they should be presented in the form of options for consideration by ICSC *[ICSC/35/R.17, para. 121]*.

36th session (August): On the basis of a consideration of the report of the above-mentioned working group, ICSC undertook a review of the general methodology for surveys of best prevailing conditions at HQ duty stations.

ICSC noted that the Flemming principle used as a basis for determining the conditions of service for locally recruited GS staff and the manner of its interpretation had been the subject of several reviews since its adoption by the GA in 1949. The conditions of service of staff in the GS and related categories had been based on best prevailing conditions of employment in a given locality. Various efforts to define that principle further had not necessarily resulted in greater clarity. ICSC observed that the principle had evolved from "best prevailing rates" to "best prevailing conditions". Based on that evolution, the survey process allowed for the consideration of the conditions in a broader context. ICSC felt that comparisons of such conditions should not be limited to salaries and allowances, but should encompass best prevailing overall conditions of employment of comparable employers. ICSC noted the importance of focusing on all aspects of the Flemming principle, which called for consideration of best prevailing practices. Both the "best" and the "prevailing" aspects of the principle should be borne equally in mind when applying the principle. ICSC had received no indication that organizations encountered recruitment and retention problems for this category of staff and concluded that the Flemming principle had been effective. ICSC concluded that the current methodology was basically sound, but required fine-tuning on a number of points as regards both the methodology itself and its application *[A/47/30, paras. 218 and 219]*.

ICSC made a number of observations in that respect, as set forth in paras. 220-230 of its eighteenth annual report *[A/47/30]*, and took decisions as follows in respect of the Flemming principle and the methodology:

(a) **basis for the determination of the conditions of service of the GS and related categories: the Flemming principle**: to reaffirm the Flemming principle, as enunciated at ICSC's 15th session *[A/47/30, para. 231]*;
(b) **preparation phase**: to instruct its secretariat prepare a training manual, along the lines of the existing manual for field surveys, to form the basis for an improved training programme on all aspects of applying the survey methodology; the secretariat should provide, as an integral part of the preparatory activities for each survey, a check-list of the relevant criteria pertaining to proposed employers for approval by the ICSC Chairman. Any comments received from representatives of administrations and staff would be submitted concurrently to the Chairman; (i) **role of the secretariat**: to revise the relevant provisions of the current methodology to reflect the role of the secretariat; (ii) **selection of employers**: to amend the condition in the current methodology as regards the inclusion of public service or parastatal institutions in the sample of employers; to set the minimum number of clerical and support employees per employer at 100 (where transitional measures were required to maintain reasonable continuity of employers between surveys, the requirement concerning the revised minimum number of employees would be applicable only to employers not previously surveyed; in any case, employers with less than 50 employees would be excluded); to modify the provisions of the methodology concerning the geographical location of employers; to maintain the current criterion regarding the requirement for length of establishment of employers, but to modify the methodology to read "and should have been established in the locality for at least several (that is, around five) years";

to reaffirm the requirement for systematic pay policies and to amend the text of the methodology concerning the desirability of a job evaluation system; to amend the definition of an employer so as to ensure, that when an employer had multiple sites in the locality that followed the same personnel policies, all staff at those sites should be considered in the data analysis. Questions regarding the definition of an employer should be handled pragmatically in each survey; to maintain the current number of 20 employers to be retained for final analysis and to confirm the need for continuity in the group of comparator employers; to confirm that multinational employers could continue to be included in the sample of employers surveyed; (iii) **selection of jobs**: that the CCOG should form the basis for the relevant statistics of the GS workforce; to confirm that every effort should be made to include all grades in the benchmarks and that a large number of incumbents in each grade should be covered; to confirm that the typical number of survey job descriptions should be between 14 and 20, and that job descriptions should cover only one grade and that linked grades should not be considered; that controversial jobs should remain excluded from the survey process, and to confirm its expectations that recommendations to the Executive Heads to address the anomalies identified would be implemented; to confirm that grades with only a handful of common system incumbents should be excluded from the survey process; to include it its work programme a review of the application of the job classification standards at HQ duty stations; (iv) **development of benchmarks**: to instruct its secretariat to develop a set of typical benchmarks, to serve as a model for use in salary surveys; to provide additional information to employers, together with the benchmarks, which would show the position of the job in the hierarchy, as well as an overall description of the UN structure, including a description of the existing two categories of staff;

(c) **data collection phase**: (i) **job matching**: that additional information, such as qualification requirements, should carry similar weight to the statement of duties and responsibilities in the matching process; (ii) **educational qualifications**: that, in cases where outside employers required a university degree for survey jobs, such matches could be accepted if the comparator jobs were held by staff who, like the senior GS staff in the common system, had reached this level of responsibility on the basis of extensive experience and knowledge. If such posts, however, were held by university graduates in the relatively early stage of their career, job matches would continue to be disallowed; (iii) **disagreements**: with regard to the handling of disagreements between members of the survey team, that if no consensus were reached among the team members, the matter would be brought to the Chairman for decision; (iv) **type of salary data to be collected**: that average salary data was the most appropriate data to collect and that individual salary data should be collected only where necessitated by local conditions; (v) **cooperation of employers:** to encourage administrations and staff organizations to explore means to improve the cooperation of employers;

(d) **data analysis phase**: (i) **elimination of employers:** to delete the current rule in the methodology, whereby an employer would be excluded if the base salary plus other elements of remuneration for the lowest ranking employer resulted in average salaries 10 per cent or more below the next higher average salary for each job; to amend the methodology regarding the elimination of employers; to provide for the elimination of an employer who followed personnel practices that were deemed to be unethical, illegal or improper; (ii) **elimination of jobs:** to confirm that the current criteria for the elimination of jobs remain unchanged, except that all jobs matched should have more than one incumbent, unless the job in question was clearly one-of-a-kind so that a larger number of incumbents could not reasonably be expected; (iii) **quantification of fringe benefits**: to replace the provision of the methodology concerning performance payments with one to the effect that performance payments of an exceptional nature based on the merit or productivity of individuals and not paid as part of salary should not be taken into account; adjustments should be made both upwards and downwards in the quantification of meal benefits; to confirm that no adjustments to the methodology were required regarding the quantification of low-interest loans; that, with regard to the basis for evaluating a benefit, the relevant provisions of the methodology should be revised to provide that a benefit should be evaluated at the cost to the employer and not at its normally recognized or computed market value; (iv) **social security provisions:** to note that the current practice regarding the collection of data on social security

provisions should be continued; to confirm that no further specificity was required in ICSC decisions and recommendations regarding such issues as the separation payments in Vienna and Rome; (v) **Netting down**: that the netting-down procedures should be maintained and that the secretariat should continue to bring to the attention of ICSC any anomalous tax calculations; (vi) **Employers not subject to taxation:** to continue the current practice of excluding special tax provisions applicable to such staff of the surveyed employers; (vii) **seventy-fifth percentile**: to confirm the use of the 75th percentile method; (viii) **Dominance**: to confirm the use of logarithmic weighting to avoid dominance; (ix) **Language**: to discontinue inclusion of the language factor at the time of the next survey. Should this lead to a freeze of salaries, ICSC should consider a phased approach to the elimination of this element; (x) **sex discrimination**: that no amendments in the methodology were required on the issue of sex discrimination; (xi) **internal matching points**: that, in view of the use of the job classification system and dual pay-line methodology, no adjustments in respect of internal/external differences in length of service/seniority should be made to internal salary levels; to include salary data for staff in receipt of the extra longevity step approved by ICSC in 1984, at the next lower step; to include salary data for staff at steps beyond those approved by ICSC, at their actual step; (e) **Decision phase, including construction of salary scale:** (i) in order to satisfy rule 33.2 of the rules of procedure estimates should be made available to ICSC prior to adoption of any recommendation of a new scale to organizations; to confirm the need to keep the process transparent for all parties; (ii) **periodic adjustments between surveys:** to establish a uniform factor of 0.9 by which the index movement should be governed for purposes of periodic adjustments between surveys; interim adjustments should not take place for a six-month period prior to the reference date of a survey. Any payments due to staff as a result of this postponement would be applicable retroactively if this were justified by the survey results; (f) **Recruitment, retention and grade overlap**: (i) that further study on the issue of recruitment and retention was not warranted at this time; (ii) to note the current extent of the grade overlap between the remuneration of the GS and related categories and the P category as identified by JIU and to recall in this regard that the salaries of the two categories of staff were based on two distinctly different methodologies *[A/47/30, para. 251]*.

Following the decisions taken by ICSC on the above item, the representatives of FICSA and CCISUA informed ICSC that they had decided not to continue their participation in the ICSC deliberations on this subject *[A/47/30, para. 9 and annex I]*.

Also during the course of the 36th session, an extraordinary Staff Assembly was held, in which the staff of various common system staff associations took part. The Assembly adopted a resolution which strongly urged that no change be made in the methodology for determining the pensionable remuneration of GS staff, or to the salary survey methodology for that category of staff. It also urged ICSC to recommend to the GA measures to restore the competitiveness of UN salaries *[A/47/30, para. 10]*.

The GA, in **resolution 47/216**: (a) took note of the ICSC decisions in respect of the refinements and modifications to the methodology, on the understanding that such modifications would be taken into account beginning with the salary survey being carried out in Paris; (b) called upon all organizations to ensure that interim adjustments to salaries were not resumed until the ICSC recommendations based on the comprehensive GS salary survey were acted upon by the organizations; (c) regretted that it had not so far received the report on procedures to be taken in the event that the implementation of a GS salary survey was at variance with the ICSC recommendations; (d) welcomed the intention of the UN/SG to implement resolution 45/241; and (e) requested the UN/SG to provide the report no later than its 49th session.

1993 **37th session (March)**: Review of the general methodology for surveys of best prevailing conditions of employment at non-HQ duty stations. ICSC had requested its secretariat to carry out consultations with

representatives of the administrations and staff and to present a document which would enable ICSC to review the non-HQ methodology and to report thereon to the GA at its 48th session. It considered document ICSC/37/R.10 and Add.1, in which its secretariat reported on the conclusions of an informal working group. The report included background information on the development and application of the methodology, and a comparison between the methodologies for HQ and non-HQ duty stations, as well as the experience of the organizations with the use of the current methodology. Also included in this review was the methodology for surveys in respect of NPOs *[ICSC/37/R.18, paras. 96-97].*

ICSC decided to review the methodology once every 4 years at the end of each completed round of surveys. In the meantime, its secretariat would also continue to participate as an observer in the Steering Committee and to monitor application of the non-HQ methodology on behalf of ICSC *[ICSC/37/R.18, para. 117]*.

In respect of the review of the methodology, ICSC decided as follows: (a) **selection and retention of employers**: (i) the current criteria with regard to the number of employers (5) to be retained would remain unchanged for the majority of duty stations. However, a minimum of 7 employers should be retained in countries where there was a substantial number of common system staff in the GS and related categories (usually 200 or more), *and* where the economy reflected certain conditions; (ii) in addition to these criteria, ICSC decided that other duty stations, including those where the UN maintained regional offices as well as locations where other common system organizations maintained either HQ or regional offices, could be presented to the ICSC Chairman for approval as additions. Proposals for deletion would also be presented by the organizations, as circumstances warranted; (iii) in cases where the requirement for 7 employers to be retained was applicable, the total number of office employees would also be increased from 20 to 50, on the understanding that this requirement would not apply to employers currently retained, in order to maintain an acceptable level of consistency in employers between surveys. In the case of an employer with a well-structured compensation system based upon globally applied job classification standards, this requirement could also be waived; (iv) test data would also be collected for duty stations where 7 employers were to be retained. This data would reflect the alternate results which would be obtained if the best 9 employers had been retained for salary scale construction purposes. This data would be presented to ICSC in 1995 for information; (v) a report would also be presented to ICSC in 1995 on the feasibility and substantive and administrative implications, of utilizing the 75th percentile method at duty stations where 7 employers were to be retained *(ICSC/37/R.18, para. 118)*;

(b) **number of external incumbents for each job match**: ICSC decided to encourage the organizations to ensure that jobs matched were encumbered by more than one employee, except in those cases where the job surveyed was truly one of a kind. ICSC requested its secretariat and the organizations to coordinate the development and application of standard job matching equivalence in frequently used employers for use in HQ and non-HQ surveys *[ICSC/37/R.8, para. 119];* (c) **representativeness of the economic sectors of the employers surveyed and retained**: Less than half of the employers retained for analysis to construct salary scales could be in the same economic sector, e.g., in duty stations where the requirement specified the retention of a minimum of 5 employers, no more than 2 employers should belong to a particular economic sector. In duty stations where a minimum of 7 employers should be retained, this would apply to 3 employers *(ICSC/37/R.18, para. 121)*; (d) **quantification of benefits and allowances:** ICSC decided to endorse the current practice of the organizations with regard to: (i) the provision of in-kind housing; (ii) company discounts and commissary privileges; (iii) low interest loans; (iv) transport; and (v) funeral benefits. It also further concurred with the organizations' proposal to remove the current cap on the quantification of meals and to eliminate the quantification of: (i) airline tickets; and (ii) separation or termination indemnities *[ICSC/37/R.18, paras. 122-123]*.

ICSC decided to maintain the current provision under which the **non-pensionable component** was established. It noted, however, that the non-pensionable element should be reflected separately from net remuneration in salary scales as a non-pensionable allowance by grade and step. Hence, all net remuneration at each grade and step would be taken into account in arriving at gross salaries and pensionable remuneration. Non-pensionable allowances would be excluded from calculation of pensionable remuneration *[ICSC/37/R.18, para. 124]*.

ICSC decided to revert to the applicability of the methodology to the NPO category at its 38th session, at which time it would also review the status of this category of staff in a broader context *[ICSC/37/R.18, para. 125]*.

ICSC agreed that the revised methodology should become effective as of 1 July 1993; it would report its above-referenced decisions to the GA at its 48th session. It requested the secretariat to prepare, for inclusion in its annual report to the GA, a revised version of the general methodology, incorporating the changes decided upon at the present session *[ICSC/37/R.18, para. 126]*. ***Note:*** *The revised methodology was subsequently issued under the symbol ICSC/37/R.18/Add.1*.

By **resolution 48/224**, the GA urged organizations to implement the ICSC recommendations with regard to salary scales for staff in the GS and related categories, and requested that, in cases where decisions at variance with the recommendations of the ICSC were envisaged, the matter be referred to the governing body of the organization(s) concerned.

1994 **40th session (June/July)**: ICSC considered: (a) a proposal by FICSA *(ICSC/40/R.7)* to review the methodologies for both HQ and non-HQ duty stations and to consider a series of innovations for inclusion in a revised methodology; (b) a proposal by CCISUA *(ICSC/40/CRP.8)* in respect of the HQ methodology.

ICSC recalled that the revised methodology had been debated extensively in working groups, composed of representatives of ICSC, administrations and staff, and discussed within ICSC before it was promulgated in 1992. Under the previous methodology, a number of issues had arisen during the course of the third survey round and ICSC had decided at that time to postpone consideration of those questions until the cycle had been completed. Members noted that both FICSA and CCISUA had produced papers that raised a wide range of technical and other issues. Under the circumstances, most members believed that ICSC would need additional technical guidance. Such guidance and consideration would require more time than was available at the current session. Accordingly, members agreed to reconsider the item at the next session.

ICSC was informed by its Chairman that he had received representations from the staff representatives of UNESCO requesting ICSC to re-examine the technical justification for the revised methodology and its impact on UNESCO staff, in particular the quantification of fringe benefits and seniority in grade. In that context, further representations had been received from the staff representatives of FAO, UNIDO, WHO, IAEA and ITU on the issue of the Rome survey in particular and the methodology in general. ICSC took note of the argument that no changes were required in the principle underlying the methodology and in its overall framework, but that the application of the methodology to the particular situation at each duty station should be addressed. As regards the need to reflect the particular situation at each HQ duty station, ICSC laid especial emphasis on the statement in the methodology that "the methodology attempts to strike a balance between consistency of approach in the application of a general methodology to all HQ duty stations and the flexibility needed to address local conditions in each HQ duty station." It was observed that each survey report reviewed by ICSC routinely included a

series of issues on which flexibility was to be exercised in deference to the local conditions prevailing at the respective duty station.

ICSC recalled that, on the basis of that provision, it had applied such flexibility to address unique characteristics in the case of both Paris and Montreal and it intended to continue to do so in the surveys at the remaining five duty stations. Whereas ICSC considered it important to evaluate the issues raised, it felt that more experience in applying the methodology to other duty stations was required before a review should take place. Furthermore, ICSC considered that any changes to the methodology while the survey round was not yet completed could result in unfair treatment of staff at Montreal and Paris.

In that regard, ICSC noted that the results of the surveys thus far conducted had been driven by the economic conditions at those duty stations. A review of the methodology should encompass the experience at all duty stations so as to ensure that the methodology could be considered in a consistent manner. Such a review would require a thorough and detailed study by ICSC's secretariat based on the issues raised by FICSA and CCISUA as well as other observations made during the current survey round. Nevertheless, consideration could be given to a preliminary discussion of the various issues raised. Although requests had been made to suspend the current round of surveys pending review of the methodology, ICSC did not agree that a case had been made which would merit such action. However, such situations as required remedy would be addressed on a duty station-by-duty station basis in the context of exercising the flexibility already structured into the methodology.

ICSC decided: (a) to instruct its secretariat to prepare comments on the issues raised by FICSA and CCISUA; (b) that a comprehensive review of the application of the methodology should be undertaken upon completion of the current round of surveys at HQ duty stations; (c) to reaffirm the need to consider the unique characteristics of each of the HQ duty stations as evidenced in the survey methodology *[A/49/30, paras. 193-208]*.

In respect of the **methodology for NPO surveys**, ICSC decided: (a) to apply to NPO surveys the relevant decisions approved at the 37th session in respect of the general methodology for surveys of the best prevailing conditions of service at non-HQ duty stations; (b) to request its secretariat, in consultation with the organizations involved, to review the methodology for quantification of benefits applied to NPOs and to propose specific revisions, as necessary; and (c) to request the organizations, in the construction of NPO salary scales, to maintain salary differentials between the NPO and GS scales consistent with the differentials observed in the GS scales *[A/49/30, para. 244]*.

In **resolution 49/223**, the GA: (a) requested ICSC to proceed with the current round of surveys at HQ duty stations as planned on the basis of the current GS salary survey methodology; (b) urged all parties concerned to participate in the surveys; (c) endorsed the ICSC decision that a comprehensive review of the application of the methodology should be undertaken upon completion of the current round of surveys at HQ duty stations; (d) requested ICSC, in its review of the GS salary survey methodology, to consult fully with all parties concerned, including the staff representatives.

1995 **41st session (May)**: Preliminary review of the methodologies for surveys of best prevailing conditions of employment at HQ and non-HQ duty stations. ICSC undertook this review on the basis of an overview by the secretariat *(ICSC/41/R.9)* of the various proposals by FICSA and CCISUA, referenced to the relevant decisions by ICSC and the consideration by the two working groups which had met in 1992. In document ICSC/41/R.9/Add.1, CCISUA had raised some additional issues *[ICSC/41/R.19, paras. 239-240]*.

Noting that surveys conducted under the current methodology had been completed in only 4 of the 7 HQ duty stations, ICSC considered the impact of its present consideration of the methodology on the

various duty stations. It recalled its earlier decision that a comprehensive review of the methodology should be considered once the experience at all 7 HQ duty stations could be taken into account. ICSC was therefore of the view that its present consideration should enable it to identify and clarify issues, without jeopardizing the application of the methodology at remaining duty stations in the current round of surveys. At the end of the current round, ICSC intended to take up outstanding issues identified in recent surveys, including those in Rome and New York, as well as those which would emerge in planned surveys. ICSC noted that the main emphasis of the preliminary review was on the methodology for HQ duty stations. It would be important to cross-reference the various issues to experiences in the non-HQ duty stations, while keeping account of the fact that those experiences, in many instances, were based on smaller duty stations, with very different economic conditions. It was agreed that the forthcoming review would be conducted on an integrated basis for HQ and non-HQ methodologies *[ICSC/41/R.19, paras. 246-249]*.

In reviewing the proposals presented by FICSA and CCISUA and additional observations by CCAQ and by its secretariat, ICSC considered the issues presented below.

(**Note**: No FICSA representatives were present during the discussion in view of the decision to suspend participation in ICSC activities)

Preparation phase: (a) the role of the secretariat in the conduct of surveys *[ICSC/41/R.19, paras. 248-250 and 253-254]*; (b) criteria for the selection of employers to be surveyed *[paras 255-259]*; (c) the possibility of conducting pre-surveys *[para. 260]*; (d) criteria for the selection of jobs to be surveyed *[paras. 261 and 263]*; (e) the survey job descriptions *[paras. 264 and 266]*; (f) the survey questionnaire *[paras. 267-268]*.

Data collection phase: (a) relationship between interview team members *[paras. 269-271]*; (b) criteria for job matching *[paras. 272-275]*; (c) other data to be collected *[paras. 276280]*.

Data analysis phase: (a) staff participation in the data analysis and decision phases *[paras. 281-284]*; (b) criteria for retention/elimination of employers and jobs *[paras. 285-287]*; (c) treatment of extremes *[paras. 288-290]*; (d) other elements of remuneration *[paras. 291292]*; (e) fringe benefits calculation *[paras. 293-296]*; (f) netting down of gross salaries *[paras. 297-298]*; (g) 75th percentile *[paras. 299-301]*; (h) language factor *[paras. 302304]*; (i) internal matching points *[paras. 305-306]*; (j) treatment of longevity steps *[para 307]*.

Decision phase: (a) construction of the salary scale *[paras. 309-311]*; (b) seniority in grade *[paras. 312-315]*; (c) financial implications *[paras. 316-317]*; (d) effective data of survey results *[paras. 318-320]*; (e) periodic adjustments between surveys *[paras. 321-325]*.

ICSC noted with appreciation that consideration of the issue had taken place in an atmosphere of mutual cooperation and respect. It noted that its report on the consideration of the methodology would provide most useful information for its comprehensive review of the salary survey methodology scheduled upon completion of the current survey round *[ICSC/41/R.19, para. 326]*.

1995 In **resolution 50/208**, the GA: (a) noted that ICSC would provide a further report on the methodology for surveys of best-prevailing conditions of employment at HQ duty stations following the completion of the comprehensive review of the salary survey methodology in 1997; (b) requested ICSC, as part of its review of the methodology for salary setting for staff in the GS and other locally recruited categories to resolve, to the extent possible, inconsistencies between this methodology and the one applied pursuant to the Noblemaire principle, *inter alia*, by examining the question of overlap in remuneration between the two categories.

1996 **44th session (July/August):** ICSC agreed to the establishment of a working group to review the **GS salary survey methodologies for both HQ and non-HQ duty stations**. The working group would be composed of 3 members of ICSC, 3 members designated by the organizations and 2 members designated by each staff body, namely FICSA and CCISUA. ICSC further agreed to the establishment of a working group to review the **non-pensionable component** of the survey methodologies which, in addition to the aforementioned composition would include 3 representatives designated by the UNJSPB. It was also agreed that the working groups would meet in January 1997 *[A/51/30, paras. 210-211] (see also ICSC/44/R.12, paras. 32-43 for details regarding the modalities for the review and the working groups).*

In **resolution 51/216**, the GA: (a) noted the preparations undertaken for the 1997 review of the methodologies for the surveys of the best prevailing local conditions of employment at HQ and non-HQ duty stations; (b) urged the representatives of staff to participate fully in the ICSC working groups on the salary survey methodology reviews; (c) requested ICSC, as part of its review of the methodology: (i) to resolve, to the extent possible, inconsistencies between the methodology for setting the salaries of staff in the GS and related categories and that applied pursuant to the Noblemaire principle, *inter alia*, by examining the question of overlap in remuneration between the two categories; (ii) to study the feasibility of increasing the weight of public-sector employers in the salary surveys at HQ duty stations; (iii) to submit a report based on the review of the methodology to the GA at its 52nd session; (d) also requested ICSC to defer a final decision on the GS salary setting methodology pending the review of the application of the Flemming principle by the GA at its 52nd session and to adjust its programme of HQ salary surveys as appropriate.

1997 **45th session (April/May)**: ICSC reviewed the methodologies for surveys of best prevailing conditions of employment and the issue of the non-pensionable component (NPC) on the basis of recommendations of above-mentioned Working Group. The staff organizations (i.e., FICSA and CCISUA) decided not to participate *[A/52/30, para. 103]*.

Flemming/Noblemaire principles. ICSC considered the conceptual basis on which the survey methodologies were based and reviewed the current formulation of both the Flemming and the Noblemaire principle. It noted that the focus of the Noblemaire principle was on the highest paid national civil service and that the US federal civil service had been the comparator civil service under the principle since the earliest UN days. On the other hand, a number of formulations and reformulations of the principle that guided salary setting for locally recruited staff had been made since the earliest days of the UN both before and after the initial formulation of the Flemming principle in 1949. The formulation of the pay setting principle had moved from "best rates"in earliest days of the UN to "best prevailing local rates"in the initial Flemming formulation to "best prevailing local conditions" under various formulations of subsequent salary reviews in the 1950s, 1960s and 1970s *[A/52/30, para. 110]*.

ICSC noted that the Noblemaire principle had a universal focus while the Flemming principle focused on local conditions of service. It was therefore difficult to compare a methodology that needed to be responsive to local labour market conditions, which could at times be volatile, with a methodology that needed to respond to the application of uniform conditions of service on a global basis. The reference labour markets of the Noblemaire and Flemming principles were essentially different, the former being linked to the public sector of one Member State and the latter linked to the overall labour market of individual Member States. In view of the linkage of the Noblemaire and Flemming principles to different labour markets, it was to be expected that the resulting measurement of conditions of service would be different. ICSC did not consider that such differences represented inconsistencies in the two methodologies. In this regard it noted that both methodologies were based on Article 101 of the UN Charter, which required staff to be recruited with the highest standards of efficiency, competence and

integrity. In order to achieve those standards the basic premise of the Flemming principle was competitiveness with employers in the local labour market to recruit staff of equally high calibre and qualifications for similar work. Since the same goal applied under the Noblemaire principle but the defined labour market was worldwide, the competitiveness must be related to the country with the highest pay levels for reasons that had been described on numerous occasions in previous reviews of the Noblemaire principle. ICSC considered that the Flemming principle, while reformulated on various occasions had been reaffirmed by numerous groups. Accordingly, the Flemming principle would seem to have served the needs of the organizations *[A/52/30, para. 109]*.

ICSC concluded that the inconsistencies between the Flemming and Noblemaire principles were a direct result of the different objectives of the two principles. Since the local labour market represented largely private-sector employers, it should not be expected that a high degree of consistency would prevail between various aspects of the two methodologies *[A/52/31, para. 126 (a)]*.

Overlap between P and GS salaries: ICSC considered that there was a degree of overlap between P and GS salaries that was naturally occurring and should not necessarily be eliminated. Care should be taken, however, to ensure that the degree of overlap would not interfere with salary and job relativities that were generally deemed acceptable. ICSC further noted that many employers, including the national civil services and other public-sector employers, maintained a degree of overlap between the salaries paid to newly recruited P staff in the first several years of service and clerical staff with extensive experience and many years of service at the end of their career *[A/52/30, para. 111]*.

ICSC concluded that an overlap was not a problem in and of itself, as long as it did not exceed generally acceptable levels. ICSC would, however, keep the situation under review, inter alia, by ensuring that the overlap between P and GS salaries at each of the seven HQ duty stations was addressed in the respective survey reports *[A/52/30, para. 126 (b)]*.

Preparation phase: (a) to include in the methodology a definition of the role of the LSSC and its members, including a need for continuity in membership, together with a checklist, to be followed in the preparation phase for the selection of employers and other pertinent data; (b) to request its secretariat to establish an ongoing, comprehensive training programme for the HQ methodology that would be geared towards representatives of all seven HQ duty stations. In this regard, the secretariat should develop additional instructional materials, such as a HQ survey manual; (c) to include in the methodology a definition of the role of all parties in the survey process. In this regard ICSC also decided that survey data would only be made available to non-participating parties after the data analysis phase had been completed; (d) to amend the methodology as regards the role of the secretariat of ICSC, it being understood that the secretariat had a key role to play in ensuring the correct and consistent application of the methodology; (e) to encourage the organizations to adhere to the survey schedule. In cases where organizations wished to amend the schedule, a request should be made to ICSC, which would consider what action would be most appropriate. Generally, in these cases, the interim adjustments would continue to be suspended until such time as the comprehensive survey was completed; (f) to modify the methodology to permit "sufficient time" to be defined as at least six months to commence the initial planning phase of the survey *(ICSC/45/R.13, para. 127).*

With regard to the criteria for employer selection, ICSC decided: (a) to approve the sectors shown in annex V of report ICSC/45/R.13 and that: (i) the public/non-profit sector, including the national civil service, should be represented by at least 25 per cent of the retained employers (ii) no individual subsector of the private sector should be represented by more than 25 per cent of the retained employers; (b) to amend the methodology so as to retain a minimum number of 20 employers; (c) to retain the requirement for a minimum number of 100 office and support staff. However, this requirement should be flexibly applied to permit as required: (i) the inclusion of employers with well-

structured classification/pay systems; (ii) the inclusion of the required public/non-profit sector, including the national civil service representation; (iii) the necessary number of employers as specified in paragraph b above; (d) to retain the measure that employers with less than 100 but more than 50 office staff might be included if they had been used in the previous survey; (e) to retain the requirement that employers must be within commuting distance and that no exceptions should be made to this requirement; (f) to request the organizations to increase their efforts to obtain the cooperation of employers *(ICSC/45/R.13, para. 128).*

With regard to the **selection of jobs, survey job descriptions and the questionnaire,** ICSC decided: (a) to modify the methodology so as to ensure the greater use was made of the survey job descriptions in the methodology; (b) to request its secretariat to develop a set of survey job descriptions for the secretarial and accounting occupations for use at each of the seven HQ duty stations; (c) to emphasize in the methodology that, to the extent possible, all levels in a job series should be included in the survey; (d) to exclude jobs from the survey process that could not be retained in previous surveys as they were not matched by a sufficient number of employees unless the new selection of employers made it likely that those jobs could be matched; (e) to exclude jobs with little statistical significance in the survey process unless they formed part of a job series; (f) to limit the questionnaire to the most relevant data and that, where required, an optional set of questions should be developed for which data could be collected from a limited number of employers without affecting the quality of the survey data; (g) to exclude from the questionnaire queries related to overtime and shift differentials for each employer, unless specifically requested by the station *(ICSC/45/R.13, para. 129).*

Data collection phase: (a) to include in the methodology the following text: "The teams are composed of one member nominated by the organizations, one by staff and one by the secretariat. They are all present throughout the data collection interviews with comparator employers and hence are all privy to the same information. Each has a copy of the questionnaire and benchmark and may record all answers. Although one of the three would generally lead in asking questions, all members have the opportunity to ask whatever questions they deem necessary. After the interview, all members agree and sign off on the final information obtained, so that the agreed data can be placed in the database. In the event of disagreements, dispute settlement procedures exist under the methodology.

While members of the teams might have varying degrees of survey-related experience, specific provisions for the training of team members are made under the methodology so that all can become familiar with the survey process"; (b) to continue the use of actual survey job descriptions as the basis for the job matching process; (c) to amend the methodology so that in cases where an employer could not match specific jobs but was able to provide data on comparable levels of responsibility in similar work, job matches might be established. For use in such cases a generic description of responsibilities should be developed, typical for the grade level, or a set of notes to complement the specific survey jobs. The employer should be asked to indicate the number of incumbents for any of the specific common system jobs. Should the employer be unable to do so, the total number of relevant employer staff (i.e., in comparable occupations) in the grade would be assigned on an equal basis over the matching survey jobs *(ICSC/45/R.13, para.130).*

Data analysis phase: (a) to amend the methodology to allow retention of employers only if they had matched one third of the survey jobs, covering at least one half of the surveyed grades. Where transitional measures were required to meet other survey criteria, this requirement would be applicable only to employers not previously surveyed; (b) to amend the methodology to allow retention of jobs only if they were matched by at least one third of the retained employers; (c) to continue a more flexible approach to the inclusion of jobs with single incumbents by including, where appropriate, jobs at the highest GS level for occupations that internally were also largely encumbered by one or very few staff. The inclusion of job matches with single incumbents, however, should continue to be brought to

the attention of ICSC at each survey; (d) to retain the current provision that extreme salary levels should be brought to the attention of ICSC; (e) to maintain as a basis for quantifying benefits the "cost to employer" approach; (f) to increase the criterion for utilization of a benefit to allow quantification of a benefit to at least 75 per cent of staff eligible for the benefit; (g) to continue the current method of quantifying meal benefits; (h) to exclude comparisons of health insurance benefits as they did not form a part of the salary-related comparisons of best prevailing conditions of service; (i) to retain current procedure for calculating the difference in working hours; (j) to clearly describe differences in social provisions and leave at the time of each survey; (k) to examine conditions of service other than salary and to reflect them clearly in each survey report; (l) to continue to apply in the next round of HQ surveys the current methodology using average salary data and the 75th percentile method *(ICSC/45/R.13, para. 131).*

Decision phase: (a) to maintain the current practice with regard to the recommended survey reference date, that is, ICSC reports the reference date of the survey to the organizations, who then determine the effective date of the salary scale; (b) to report to the executive heads and parties concerned incorrectly graded and/or encumbered jobs which would have affected the survey results; (c) to retain the six-month rule whereby no interim adjustments were granted within six months of the survey reference date; (d) to add the mini-survey to the existing interim adjustment mechanism as the method most likely to yield accurate results. This mechanism, however, would only be applied at the specific request of the duty station; (e) to request its secretariat to establish a procedure for the conduct of mini-surveys; (f) to set the percentage adjustments to the net salary scale at each HQ duty station at a level most appropriate to the local conditions, provided that the adjustment did not exceed 90 per cent *(ICSC/45/R.13, para. 132).*

Finally, ICSC also decided: (a) to test the use of the minimum/maximum salaries approach in the next round of HQ surveys; (b) to test an approach other than specified in (a) above in the next round of HQ surveys, that is, use of the minimum/maximum salaries approach;

(c) to request its secretariat to ensure that the employer survey report was made more relevant to the needs of comparator employers so as to facilitate their cooperation in surveys *(ICSC/45/R.13, para.133).*

Review of the methodology for surveys of best prevailing conditions of employment at non-HQ duty stations. As part of the current review, ICSC examined the recommendations of the Working Group which it had established, at its forty-fourth session, to assist it in the review of the non-HQ methodology. It noted that many of the recommendations of the Group related to both the HQ and the non-HQ methodologies and were therefore dealt with at a global level. However, three issues pertained particularly to the non-HQ methodology, as follows: (a) criteria for the differentiation of labour markets;

(b) the interim adjustment procedure; and the effective date of salary scales *(ICSC/45/R.13, para. 135).*

ICSC decided (a) to establish three categories of non-HQ duty stations to determine the number of employers to retain for the establishment of local conditions of service, as follows: (i) Category I: duty stations where 12 employers would be retained in the final analysis; (ii) Category II: duty stations where seven employers would be retained in the final analysis; (iii) Category III: duty stations where five employers would be retained in the final analysis; (b) to endorse the use of mini-surveys at non-HQ duty stations and the use of the minimum hiring rate as the salary data which best tracks employers' salary movements; (c) to endorse the use of the reference date of non-HQ surveys as the effective date for both comprehensive surveys and interim adjustments; (d) to implement the revised non-HQ methodology as of 1 January 1998, barring major reservations by the GA *(ICSC/45/R.13, para. 146).*

Review of the non-pensionable component of GS salaries. At its forty-third session, ICSC agreed to the establishment of a Working Group to consider the non-pensionable component (NPC) of salaries as part of the review of the GS salary-setting methodologies.

In its consideration of this item, the Working Group examined and made recommendations to ICSC with regard to: (a) the criteria for establishing NPC; (b) the elements which should be considered pensionable and non-pensionable in the determination of NPC; and (c) the levels of the ceiling and threshold *(ICSC/45/R.13, para. 148).*

ICSC decided that: (a) the main criteria for the determination of pensionability should be the regularity, recurrence and predictability of benefits and allowances paid to employees in cash and that, on this basis, the remuneration elements shown in annex VI to report ICSC/45/R.13 should be considered pensionable; (b) the ceiling for NPC should be reduced to 20 per cent of net salary from the current amount of 25 per cent; (c) the threshold for the establishment of NPC should be the same for both HQ and non-HQ duty stations, namely, 10 per cent of net salary, with no established minimum; (d) transitional measures would apply as usual, i.e., gross pensionable salaries would be maintained if found lower as a result of any of the above recommendations until such time as future revisions based on either a comprehensive survey or an interim adjustment produced gross pensionable salaries that were equal to or higher than those in effect on 31 December 1997. ICSC concluded that, with the above decisions, it had improved the compatibility of the income replacement approach with NPC *(ICSC/45/R.13, para. 160).*

46th session (July): ICSC noted that the Standing Committee of the Pension Board, at its June/July (1997) session, concurred with ICSC decisions *[A/52/30, para. 140]*.

In **resolution 52/216**, the GA reaffirmed that the Flemming principle should continue to serve as the basis for determining the conditions of service of the GS and related categories; and endorsed the conclusions of ICSC and the refinements and modifications to the methodology.

In the same resolution, the GA endorsed the modifications decided on by ICSC regarding the various aspects of the non-pensionable component and transitional measures.

1998 **48th session (July/August)**: ICSC was informed that four members of the GS staff of FAO in Rome had challenged various aspects of the 1994 GS salary survey in the ILOAT, including the phasing out of the language factor. In its Judgment 1713, ILOAT pointed out that the elimination of the language factor did not concern the application of the 1992 revised general methodology but rather the legality of the pertinent provision of that methodology, as revised in 1992. In its submission, ICSC had pointed out that payment of the language factor was not necessary for the recruitment or retention of linguistically qualified staff. ILOAT concluded that this argument was irrelevant, because under the Flemming principle, GS staff should have pay and other terms of employment that matched the best on offer at the local duty station. ILOAT then opined that it should have been easy enough to determine whether or not local employers did pay a bonus to such staff that were required to work in languages other than Italian. It concluded that since data had not been methodically collected on the general payment of such bonuses, it would have been "reasonable" to keep a small adjustment to account for that fact. ILOAT therefore set aside the FAO/DG's decision, taken in compliance with ICSC's recommendation relating to the 1994 Rome survey, as concerned the reduction of the language factor *[A/53/30, paras. 159-162]*.

In light of ILOAT Judgment 1713, ICSC was presented with two options as possible amendments to the paragraph in its revised GS salary survey methodology dealing with the language factor *[A/53/30, para. 163]*. ICSC decided to await the judgments of the Tribunals in similar ongoing cases in Vienna,

and to defer any decision on the review of the methodology regarding the language factor to a later date *[A/53/30, para. 175]*.

2002 **55th session (July/August):** As part of its normal cycle of review of the General Service salary survey methodologies for headquarters and non-headquarters duty stations, ICSC noted that the current round of surveys had been completed with the consideration of both the Vienna and Geneva survey results at its 55th session. ICSC decided therefore, in accordance with the normal schedule of methodology reviews, to schedule a comprehensive review of both methodologies in 2003 and to report its decision to the General Assembly. In this context, ICSC decided to establish a working group to review the General Service salary surveys for both methodologies. The working group would be composed of four members of ICSC, four members designated by the organizations and two members designated by each staff body (FICSA and CCISUA) *(A/57/30 paras. 194 and 195).*

2003 **56th session (March/April):** ICSC reviewed the headquarters and non –headquarters methodologies for surveys of best prevailing conditions of employment sessions on the basis of recommendations of the Working Group established by it for that purpose. The Working Group consisted of 4 members of ICSC, 4 members designated by the organizations and 2 members designated by each staff organization [A/58/30, para. 218].

The methodology for headquarters duty stations. ICSC agreed that, generally, the headquarters methodology had functioned adequately and allowed for the setting of fair and competitive pay for locally recruited staff. It confirmed the Flemming principle in its current formulation and interpretation as the basic principle of the GS salary survey methodology [A/58/30, para. 230].

Specific methodology issues. ICSC decided to introduce a standard written confidentiality pledge, which would be annexed to the methodology and would replace automatic assumption of this responsibility. It also agreed to specify in the methodology the modalities for applying confidentiality procedures [A/58/30, para.265].

In order to further encourage employer participation, ICSC decided that: (a) Contacts with employers through designated members of LSSC should also be maintained between surveys in order to facilitate their participation in future surveys; (b) The secretariat should obtain employer feedback and continually strive to enhance the survey report to provide data in a format useful to the employers; (c) The survey questionnaire should be reduced in length and limited only to essential questions; in addition, an optional set of questions through which data could be collected from employers willing to provide such data could be used; (d) Alternative data collection techniques, such as teleconferencing, electronic communication exchanges and telephone interviews, could be used under certain circumstances; where local conditions made it difficult to obtain data required for survey purposes, alternative procedures, such as the use of external data or commissioning the data collection to outside independent consultants, could be authorized by the Chairman, in consultation with LSSC [A/58/30, para. 266].

ICSC decided on a number of other revisions with a view to formalizing and ensuring consistent application of procedures that had been followed in practice but had not been previously covered by the methodology [A/58/30, para.267].

ICSC also decided to maintain the current list of economic sectors to be used for survey purposes, except for the sub sector “Parastatal enterprises” which would be renamed “Parastatal organizations” [A/58/30, para. 269].

Differentiation of labour markets. ICSC reviewed a recommendation to restructure the way local labour markets were differentiated under the current methodology. The essential recommendation was

to move from the current three levels to a four –level categorization. ICSC also approved the list of duty stations under the revised categories, which would be annexed to the methodology. [A/58/30, para. 302].ICSC decided that the national civil service employers would be included in survey analysis and retention when it was found that they met the methodology requirements. When that was not possible, the representation of the public/non -profit sector would be increased from 25 to 33 per cent of the employers retained [A/58/30, paras. 311-312]. Alternative methods of data collection. ICSC agreed that alternative data-collection techniques could be used in the survey process. Those techniques should be used judiciously and when necessary to ensure the best possible employer participation and to obtain the most accurate and complete survey data [A/58/30, para. 326]. Other issues. With regard to other issues, ICSC decided: (a) That the month in which data collection started should continue to be the reference month for determining the effective date of the salary survey; (b) That the current method of conducting interim survey reviews should be maintained, that interim revisions should be based on the conduct of mini-surveys and that the hiring rate or the employers' minimum salaries should continue to be used as the basis for measuring labour market movement; (c) That the current list of benchmark job descriptions continued to provide an adequate basis against which job matches with comparator employers could be established and that it should be retained; (d) That, for employers for which global patterns in job matching had been established, single -incumbent job matches in the comparator employer with survey benchmark jobs should be allowed [A/58/30, para. 327].

57th session (July): Headquarters methodology. At its fifty -seventh session, ICSC was presented with a document by its secretariat that reflected all the decisions taken by ICSC with regard to the review of the methodology and incorporated all the changes made to the text of the methodology as a result of those decisions. Although the review had been substantially completed at previous sessions, there were two outstanding issues that ICSC had to address, namely, the confidentiality pledge letter and the schedule for the sixth round of headquarters surveys. In connection with the latter, ICSC was informed that, following consultations with interested organizations, the schedule originally proposed had been revised in order to take into account their concerns to the extent possible [ICSC/57/R.8].

ICSC decided to: (a) Approve, with effect from 1 January 2004, the revised methodology for conducting surveys of the best prevailing conditions of employment at headquarters duty stations as presented by the secretariat; (b) Adopt the confidentiality pledge letter, as amended, to be annexed to the methodology; (c) Approve the schedule for the sixth round of headquarters surveys [A/58/30, Para. 279].

Non-headquarters methodology. At its fifty -seventh session, ICSC was presented with a document by its secretariat containing the revised text of the non -headquarters methodology resulting from the ICSC's decisions on the review. In compiling that text, the secretariat had used the revised text circulated at the previous session, which it had amended on the basis of the ICSC's discussions. As to issues that remained outstanding from the previous session, ICSC was invited to consider whether some of the changes it had introduced with regard to the headquarters methodology were equally applicable to the non -headquarters methodology. Those changes related to the transparency and confidentiality of the process, the economic sector representation and the written confidentiality pledge.

ICSC agreed that changes relating to the confidentiality and transparency of the exercise that it had approved for the headquarters methodology, including a written confidentiality pledge, would be equally applicable to the non -headquarters methodology, since the survey processes under the two methodologies, were broadly the same. ICSC decided to approve, with effect from 1 January 2004, the revised methodology for conducting surveys of the best prevailing conditions of employment at non -headquarters duty stations as presented by the secretariat, subject to a number of modifications

proposed by the staff representatives. Those modifications related, inter alia, to further clarifying the survey process and the responsibilities of the survey participants, including the role of the Headquarters Steering Committee and the LSSC, and to the reflection of some factual changes that had taken place since the last methodology review [A/58/30, paras. 354-355].

In its resolution 58/251, the GA endorsed the decisions of the Commission and the refinements and modifications of the methodologies contained in paragraphs 230, 265 to 269, 279, 288, 302, 311, 312, 326, 354 and 355 of its report.1

2008 **66th session (March/April):**

At its sixty-sixth session, upon completion of the sixth round of salary surveys at headquarters locations, the International Civil Service Commission (ICSC) initiated a review of both the headquarters and non-headquarters General Service salary survey methodologies. To facilitate the review, the Commission established a Working Group comprising of members of the Commission, the organizations and the three staff federations CCISUA, FICSA and UNISERV).

In accordance with the Commission's decision in 2008 (A/63/30,para. 147) the Working Group was required to:

(a) Analyse and explore issues encountered during the sixth round of surveys and propose solutions to those problems;

(b) In the light of the difficulties encountered relating to private-sector employer participation during the data-collection phase, review ways of obtaining the required data, including the possibility of purchasing data from external sources;

(c) Further examine the requirements for adequate representation of the national civil service;

(d) Examine the application of both methodologies to ensure that the choice of methodology corresponds to the conditions of the local labour market and that similarly situated staff are treated equally; and

(e) Revise the text of both methodologies accordingly.

The working group was required to submit its initial proposals to the Commission at its sixty-eighth session, in spring 2009, followed by final revised methodologies for consideration during its sixty-ninth session in summer 2009.

2010 **70th session (February/March)**:

The Commission was presented with a progress report of the work done with particular regard to the non-headquarters methodology (ICSC/70/R.12). The Commission recognized that the scope of the current review was broader than any previous reviews and might result in fundamental changes to the methodologies. Therefore, a cautious and thorough review was in the interests of all concerned parties. On the basis of an update provided by its secretariat, the Commission also noted the substantial delays which had occurred in the procurement process over which it had no control. Since contracts had finally been signed, the secretariat was in the process of negotiating with the vendors on the specific data requirements which would be used for modeling purposes. Given delays in the procurement data from external vendors the Working Group had faced difficulties in completing its review. The

Commission took note of the progress of the Working Group and encouraged it to complete its work as soon as possible and present its report at the seventy-first session (ICSC/70/R.14, paras. 67 and 68).

In its resolution 64/231, section C.2, the GA requested the Commission when reviewing the General Service salary survey methodologies under the Flemming principle to give higher consideration to the local national civil service among the retained employers, taking into account that the United Nations is a civil service organization.

2011 **<u>72nd session (March/April):</u>**

The ICSC was presented with the final report of the Working Group (ICSC/72/R.7) on the review of the salary survey methodologies as well as the draft texts of the revised methodologies (ICSC/72/R.7/Add.1 and Add.2). The Commission was informed that upon decision by the Commission on all outstanding issues, the revised methodologies would be issued as ICSC/72/R.10 and ICSC/72/R.11.

While there was consensus on many of the Group's recommendations, the representatives of the staff federations expressed their reservations on a few. Additionally, the Working Group was also not able to reach agreement on a few issues because of the wide range of positions within the Group. Such issues, together with the Group's recommendations, were submitted to the Commission for decision.

Specific revisions approved by the Commission (A/66/30):

The use of salary movement data from vendors: During the most recent round of surveys, employer participation continued to be an issue at some duty stations. To overcome the problem, the Working Group evaluated the use of vendor-provided salary survey data under the methodologies. On the basis of the evaluation, it recommended the use of salary movement data as a residual source to complete the surveys if the normal minimum number of 20 employers could not be surveyed owing to participation problems.

Given the problems of comparability with the vendor data, the Commission supported the residual use of salary movement data provided by vendors for cases in which employer participation proved to be problematic under methodology I, applicable to headquarters and similar duty stations, and methodology II, applicable to all other duty stations. It noted that such movement was less prone to be affected by differences in employer samples; in working hours between employers; in the quantification of particular benefits; or even in the competitive positioning of particular employers. It therefore approved the use of external data as reported in A/66/30, para. 153.

National Civil Service: The inclusion of the national civil service had been a requirement under the headquarters methodology. Bearing in mind the GA's request in its resolution 64/231 and the fact that during the review of some previous surveys, members of the Commission expressed the view that the national civil service employers that had been selected could not be considered representative of the mainstream civil service, the Commission had requested the Working Group to examine the requirements for adequate representation of the national civil service.

The Commission approved a proposal for a separate one-to-one comparison against the national civil service under methodology I, applicable to the headquarters and other similar duty stations. This comparison would be assigned a specific weight of 10 per cent in the final analysis while the data for the remaining employers would be analysed under the interpolated seventy-fifth percentile dual pay-line approach and assigned the remaining weight of 90 per cent. Under methodology II, applicable to all other duty stations, some duty stations under category I requiring the retention of 15 employers

would be required to retain the ministry of foreign affairs. The national civil service should be represented by the inclusion of the ministry of foreign affairs. The complete decisions of the Commission with regard to the national civil service are detailed in A/66/30, paras. 170 and 171.

Application of the methodologies to similarly situated labour markets: The Commission approved the recommendations made by the Working Group on the re-categorization of all duty stations under two methodologies. Methodology I would apply to the eight headquarters duty stations and other duty stations sharing similar labour market characteristics. Methodology II would apply to all other duty stations and, in addition to the four categories under the present non-headquarters methodology, would include a fifth category for duty stations with fewer than 30 General Service staff, where alternative modalities to adjusting the salary scale would be studied by the responsible agency over the next two years (see A/66/30, paras. 176 and 177 for complete decision).

Non-pensionable component: The Working Group had brought to the attention three options it had considered, namely: (a) leaving unchanged the current parameters for establishment of a non-pensionable component; (b) lowering the threshold for establishment of a non-pensionable component to 5 per cent; and (c) removing all non-pensionable allowances and benefits from salary and paying a flat amount as an allowance. The Commission decided that no changes to the non-pensionable component should be introduced at the present time and that the issue of the non-pensionable component should be added to the workplan on the review of pensionable remuneration (A/66/30, para. 195).

Periodicity of surveys: Under the present headquarters and non-headquarters methodologies, the periodicity of surveys was 5 years and 3 to 5 years, respectively. On the basis of a review of the data, the Working Group recommended that the periodicity of surveys under methodology I could be increased to 8 to 10 years and that under methodology II the periodicity could be increased to 5 years, though that could be revised under exceptional circumstances. The Commission agreed with this recommendation though it decided that the schedule for surveys under methodology I could also be revised under exceptional circumstances by the ICSC Chair (see A/66/30, para. 181 for complete decision).

The Commission also decided that the ICSC secretariat would participate in the review of surveys under the responsibility of the responsible agencies to ensure consistent application of the methodologies.

Parastatal employers: The Commission decided that employers in which the Government owns a stake should be considered under the parastatal subsector of the public/non-profit sector only when the Government establishes the conditions of remuneration. If the Government does not establish the conditions of remuneration, the employer should be considered private.

Salary scales in multiple duty stations within a single country: The Commission's decision is reported in A/66/30, para. 204.

The ICSC took a number of further decisions with regard to both methodologies including: that a set of common benchmark jobs should be used under both methodologies I and II; that minor in kind benefits such as refreshments provided to employees for consumption during the workday and company-sponsored social events did not constitute basic elements of compensation as required under the Flemming principle and should no longer be quantified; that free or subsidized meals should be quantified on the basis of the cost to the employer. Where such cost was not available, the benefit should not be quantified; and that motor vehicles and related benefits, including fuel, maintenance,

insurance and paid parking facilities, should be quantified as taxable, non-pensionable benefits (A/66/30, paras. 206-209).

With regard to methodology I the ICSC took decisions with respect to the review and approval of surveys (A/66/30, para. 188) and the need for separate surveys for National Professional Officers in the six duty stations outside the headquarters duty stations (A/66/30, para. 211).

The Commission also took a number of decisions with regard to methodology II on size of employers, the criteria for the retention of jobs in the GS and NPO category, the exclusion of the NO-D jobs from the survey, composition of data collection teams, role of the coordinating agency, and the use of weighted averages in the data analysis (A/66/30, paras. 212 to 220).

The Commission approved revised methodologies I and II (ICSC/72/R.10 and ICSC/72/R.11, respectively) and decided that the revised methodologies would come into effect as of 1 January 2012. However, preparations for implementation including, inter alia, updating the salary survey manuals, providing training and updating the information technology systems used for the analysis of data, should begin immediately. It then approved the schedule of surveys under methodology I (A/66/30, para, 222, table 3).

2014 **78th Session (March):** The ICSC was presented with the report (ICSC/78/R.7) on alternative modalities other than comprehensive surveys to review salary scales at duty stations with fewer than 30 General Service staff. The Commission **decided** that: (1) adjusting salaries in duty stations with fewer than 30 General Service staff should be done either by tracking a reliable economic indicator, such as an index related to inflation or price movement which would be subject to a cap of 20 per cent per year, labour/wage index, or market salary movements obtained from a reputable external vendor, or tracking salary movements of a particular employer; (2) the selected modality should be tested against the United Nations salary movements at the duty station; (3) periodic reference checks should be conducted to insure that the salaries have maintained their position among the better employers in the local labour market by either a direct comparison of the United Nations salaries for select jobs with the prevailing market rates for similar jobs targeting the 75th percentile or by conducting a simple survey of a reduced number of competitive employers representative of both the public and private sectors; (4) the normal periodicity of reference checks should be five years but more frequent checks may be required in locations with sustained inflation of over 20 per cent per year or in duty stations with high turnover rate and with difficulties in recruiting staff; (5) the reference check should also be conducted when the last salary survey took place five or more years ago, or where no salary scales were previously established; (6) the responsibility for initiation of an annual review should be either with the responsible agency or with the LSSC depending on the availability of the data; (7) the gross pensionable salary should be re-calculated by applying the common scale of staff assessment at the time of a reference check; (8) percentages of the non-pensionable component should be maintained at levels previously established through comprehensive salary surveys; (9) dependency and other allowances should be adjusted at the time of reference checks; (10) the language allowance should continue to be revised on the basis of movements to the salary scale; (11) the child allowance, if it was established based on local practice, should be revised using relevant provisions of social security and/or income tax legislation; otherwise, it should continue to be revised on the basis of movements to the salary scale; (12) spouse, secondary dependent and funeral allowances should be revised on the basis of social security and/or income tax legislation, where applicable; (13) it would be desirable to reference the national civil service in the adjustment of salaries in duty stations under category V with highly developed economies. Finally, the Commission decided to draw the attention of the organizations to its decision taken in the context of the Madrid survey, in response to the General Assembly resolution 68/253 not to increase dependency and other allowances pending the submission

of its recommendations on the comprehensive review to the General Assembly with a view to ensuring a consistent approach to the adjustment of the allowances at all locations**.**

2018 ***87th session (July):*** With the completion of the seventh round of surveys at headquarters locations, a review of the salary survey methodologies for the General Service and other locally-recruited staff was launched. Document ICSC/87/R.10 contained a summary of broad issues and specific concerns regarding the methodology received from the organizations, staff federations and headquarters local salary survey committees.

It was agreed that a working group would need to be created, which would submit its initial proposals to the Commission at its eighty-eighth session, in spring of 2019 (A/73/30, para 130).

The Commission decided:

a) To take note of the preliminary list of issues;

b) To approve the establishment of a working group chaired by the Vice-Chairman of the Commission, and consisting of five members of the Commission, six representatives of the organizations and six representatives of the staff federations, and assisted by the ICSC secretariat. The working group would be tasked with the following responsibilities:

i. Analyse and explore issues identified during the seventh round of surveys and propose solutions to those problems for the Commission's consideration;

ii. Review ways of obtaining the required data, including the possibility of purchasing data from external sources;

iii. Further examine the requirements for adequate representation of the national civil service;

iv. Examine the application of both methodologies to ensure that the choice of methodology corresponds to the conditions of the local labour market and that similarly situated staff are treated equally;

v. Propose revisions to the text of both methodologies accordingly; and

vi. Submit its initial proposals to the Commission at its eighty-eighth session;

c) To revert to the timeline of the review at its eighty-eighth session in the spring of 2019.

In its resolution 73/273, the General Assembly took note of the report (A/73/30) containing the Commission's decisions.

2019 **89th session (July-August):** The second meeting of the working group on the review of the salary survey methodologies took place in Hamburg, Germany from 17 to 21 June 2019. The list of reviewed items and the final recommendations of the working group can be found in ICSC/89/R.12.

The Commission took note of the report of the working group and welcomed the collaborative environment in which participants worked. Regarding the external data, members of the Commission noted the recurrent difficulties in employer participation and that the use of external data should be carefully considered. It was generally agreed that any change in the methodology with respect to the data source would require a detailed cost analysis. Evaluating compensation data from other vendors and assessing the latest experience of using external data in reference check duty stations were vital

steps of the review.

On the national civil service, it was agreed that mainstream ministries such as the ministry of finance would be a preferred comparator for common system surveys. Participants noted pay differences for civil servants across countries and that additional efforts in establishing job matches and quantifying benefits would be required. Members of the Commission supported the working group's recommendations on the quantification of benefits. Regarding dual scales, while some participants expressed their preference for freezing scales when survey results were negative, it was agreed that a further analysis of the proposed options was needed. The working group's recommendations relating to the Security Service category were also supported by the Commission.

The Commission noted the number of pending issues and therefore agreed that the timeline of the review should be revised to allow the group sufficient time to complete its exercise. Additional details on the Commission's deliberation of the item can be found in ICSC/89/R.15.

The Commission decided to approve the recommendations developed by the working group at its second meeting as below:

(a) Security Service category. Based on the recruitment and retention difficulties and taking into consideration the existence of a separate salary scale for the Security Service category, the working group recommended to the Commission that:

(i) A salary survey for the Security Service category be conducted at the time of the next General Service salary survey in New York, in full compliance with the established methodology;

(ii) In the context of the recommended survey, particular attention be paid to ensuring the comparability of functions with employers identified from both the public and private sectors;

(iii) Should any substantial difficulties be encountered in the conduct of the recommended survey, the results of the General Service salary survey would be applied to the Security Service salary scale.

(b) Possibility of using external data. The working group agreed to apply the following two-step approach:

(i) Carry out a thorough analysis of the external data, incorporating the pending data from the additional vendor and review the experience gained in the application of the reference check methodology in category V locations using the external data;

(ii) Conduct a pilot application of the external data in parallel with the conventional survey for selected locations. This pilot application would allow assessing the impact of using external data versus conducting surveys and identifying relevant data and methodology parameters that could be used in the external data modality.

(c) Use of the national civil service. The working group agreed on the following:

(i) The requirement of retaining a national civil service employer should be maintained at methodology I and designated category I, methodology II locations;

(ii) The national civil service should be represented by a mainstream national ministry (e.g. treasury, finance, interior, foreign affairs or a similar ministry);

(iii) Given the experience of the seventh round of surveys, the current weight given to the national civil service employer should be maintained, but its effects should continue to be monitored;

(iv) Include the following means to secure the participation of the national civil service employers: the General Assembly to solicit the commitment of the Member States, direct communication of the ICSC Chair with the permanent missions to the United Nations of the countries concerned, outreach through heads of coordinating agencies in specific locations, and other activities;

(v) The local salary survey committees should propose or initiate appropriate action to address specific national civil service employer participation issues.

d) Quantification of benefits and allowances. The working group decided to explore the possibility of replacing the current approach to quantifying fringe benefits with a lump sum or percentage of salary representative of the value of the benefits commonly quantified.

(e) Dual scales and transitional arrangements. The working group decided to revert to this issue at its next meeting, bearing in mind the proposals from the Human Resource Network and possible options outlined by the ICSC secretariat, which would be elaborated further with a view to making a final recommendation.
(f) Other matters: roles and responsibilities. The working group, recognizing the key role of the local salary survey committees in the survey process, agreed to revert to this issue when the methodology was further defined.

The Commission also decided to include the following items for consideration at the third meeting of the working group:
(i) The possibility of using external data:
a. Analysis of data from the third vendor;
b. Reference check experience of using external data in category V duty stations;
c. Methodology and data parameters to be applied in a pilot application of external data implemented in parallel with conventional surveys in selected locations;
(ii) Dual scales and transitional arrangements: revert to the proposals outlined at the second meeting of the working group;
(iii) Items other than those relating to the use of external data:
a. Categorization of duty stations;
b. Number of employers by category of duty stations;
c. Minimum number of employers when external salary movement is used;
d. Review of the questionnaire;
(iv) Roles and responsibilities of survey stakeholders;
(v) Quantification of benefits:
a. Explore the possibility of establishing a lump sum or percentage of salary;
b. Review the approach for quantifying benefits (cost to employer versus market value and utilization rate with a threshold of 75 per cent).

88th session (March): The first meeting of the working group on the review of salary survey methodologies took place in New York from 21 to 30 January 2019. The items covered by the working group and its final recommendations can be found in document ICSC/88/R.6.

The report of the working group was considered by the Commission at its eighty-eighth session held from 18 to 29 March 2019 in New York. The Commission members expressed their appreciation to the working group for its progress report. They welcomed the comprehensive and transparent approach of the group. In general, the Commission concurred with the conclusions and recommendations of the working group. Moving to specific items, most members believed the issue of dual salary scale needed further analysis. Regarding the use of external data, it was noted that exploring its use as an alternative or as a supplement to the present approach of conducting employer interviews was important. At the same time, the Commission recognized that external data was unlikely to be available across all locations. In this respect, a combination of sources of salary data may eventually be considered, such as relying on external data in some locations while supplementing them with individual employer interviews at other locations.

Adequate representation of the national civil service was seen as a central review issue given the request from the General Assembly (A/RES/71/264). The Commission took note of the ongoing difficulties in obtaining salary data from national civil service employers. Most participants supported the possibility of replacing the Ministry of Foreign Affairs as the preferred national civil service employer with other government offices.

The Commission members agreed that local salary survey committees were indispensable in terms of

the logistics of the process, knowledge of the local market, and many other aspects of the survey process. Improving communication with staff at large during the salary survey was also important. Additional details on the Commission's discussion of the item can be found in ICSC/88/R.8.

The Commission concluded that the fundamentals of the methodologies continued to remain valid and that some adjustments were required to address concerns raised by stakeholders. At the same time, it was believed that given the importance of issues considered, the effect of any changes to the methodologies should be carefully assessed.

The Commission approved the timeline for the review and agreed on the below priority items to be considered by the working group:
(a) The use of the national civil service:
(i) Ministries of foreign affairs versus alternative national civil service employers;
(ii) The appropriate weighting of the national civil service;
(iii) The list of duty stations in those categories I to V (methodology II) locations where the national civil service is mandatory;
(iv) Methods for collecting salary data;
(b) Secondary scales and transitional arrangements:
(i) The rationale for maintaining two salary scales; thresholds for the application of secondary salary scales;
(ii) Transitional arrangements for dual scales and for a potential new system;
(c) Quantification of benefits and allowances:
(i) The external vendor approach for aggregating benefits and allowances;
(ii) The survey approach;
(d) Security Service category:
(i) mechanism for adjusting salaries based on surveys of public and private employers, percentage applied to General Service staff salaries, external data or reference check;
(e) The possibility of using external data:
(i) Data requirements for modelling;
(ii) The vendor data-collection methodology;
(iii) Analysis of data obtained from three vendors;
(iv) Simulations for a number of locations comparing the results to United Nations salary scales at those locations and taking into account private and public sector comparators and the national civil service;
(v) The extent to which external data could be used (both in terms of employer data and geographical coverage).

2020 **90th session (October):** Thethird meeting of the working group on the review of the salary surveymethodologies was held in London from 3 to 7 February 2020. At its 90thsession, the Commission considered the report of the working group contained indocument ICSC/90/R.9.

Commission members highlighted the importance of the review andnoted challenges in following the approved timeline due to the pandemic. It wasagreed that appropriate time should be allowed for the working group to carryout its responsibilities and that face-to-face modality of the working groupmeetings should be maintained.

Regarding possible use of external data, the Commission was informedthat while the discussion could be limited to replacing the source of salarydata, it would be appropriate to expand the analysis to

include implementation modalitiesand the selection of parameters to filter, aggregate and combine the data.

The Commission supported the conclusions and recommendations of theworking group and inferred that any changes to the methodologies that the Commissionmight eventually recommend, would be made within the boundaries of the FlemmingPrinciple.

The Commission agreed that thework of the task force on the classification of duty stations should continue with the participationof staff federations and the organizations. There was an understanding that dueto the pandemic the timeline of the review might have to be adjusted.

The Commissiondecided to:

a) Endorse the conclusions reached by the working groupat its third meeting as presented in paragraphs 120 to 122 of ICSC/90/R.19;

b) Include the following items forconsideration at the fourth meeting of the working group:

i. The possibility of using external data:

· Review a comparative analysisby running a pilot application of external data conducted in parallel with theconventional salary surveys at selected locations;
· Estimate the common system labour marketpositioning and evaluate the impact of the selection of parameters in theexternal data modality;

ii. Categorization of duty stations: review of recommendations of thetask force;

iii. Dual scales and transitional arrangements;

iv. The relevance of benchmark jobs and job descriptions;

v. Special measures under methodology II: review of thresholds.

c) Apply flexibility to the timeline approved at itseighty-ninth session taking into account the COVID-19 related travelrestrictions and to maintain the face-to-face modality in subsequent meetingsof the working group (ICSC/90/R.19, para 129).

SECTION 2.2.20
SURVEYS OF BEST PREVAILING CONDITIONS

1976 From 25 February to 3 March 1976 the GS staff at the UN Office at Geneva was on strike. The Joint Inspection Unit (JIU) submitted a report to the GA on aspects of the strike *(A/31/137)*. ACC presented comments on the parts of the report which were of system-wide concern *(A/31/137/Add.1)*. The UN/SG made proposals regarding arrangements for the classification of posts of the GS category at the UN Office at Geneva *(A/C.5/31/47)*. WHO and ILO requested ICSC to assume as soon as possible the functions described in para. 1 of article 12 of its statute, particularly with respect to the salary scales of the staff in the GS category at Geneva.

3rd and 4th sessions (February/March and July/August): ICSC considered the issue of the strike at Geneva and the request from WHO and ILO. It decided to advance the assumption of its functions under art. 12, para. 1, of its statute in response to these requests *[A/31/30, para. 337]*.

By **resolution 31/193 B**, the GA was convinced of the need to re-examine the methodology for salary surveys and the system of job classification of the GS category at Geneva. It noted the requests from WHO and ILO and it further noted with satisfaction the decision by ICSC to advance the assumption of its functions under art. 12, para. 1, of its statute in response to these requests. The GA requested ICSC as a matter or urgency, to establish, under the authority of article 11(a) of its statute, the methods by which the principles for determining conditions of service in the GS category at Geneva should be applied and, on the basis of such methodology and under the authority of article 12, paragraph 1, of its statute, to cause a survey of local employment conditions at Geneva to be made to make recommendations as to the salary scales deemed appropriate in the circumstances and to inform the Assembly at its 32nd session of the actions taken in this regard. The GA further requested ICSC, in its examination of conditions of service of the GS category at Geneva, to examine the basis on which recent substantial salary adjustments of staff in that category were determined and to take them fully into account in its consideration of the salaries of that category of staff and the methodology for future salary adjustments, in so far as they affect GS staff at Geneva.

The GA urged ICSC, in carrying out these tasks, to take into account all aspects and especially para. 29 of the report of JIU on some aspects of the strike at the UN Office at Geneva from 25 February to 3 March 1976, the joint comments on the report received from ACC and the comments of the SG on recommendations Nos. 3 and 4 of the report of JIU and invited its comments; requested the SG to provide to ICSC within the first half of 1977 job descriptions for the GS category at Geneva, grouped according to common job functions, in order to enable ICSC to carry out its survey task. It further requested the SG to develop, in the course of 1977, job classification standards for the GS category at Geneva and, based upon them, to introduce a job classification system, including a structure of occupational groups and a classification of posts.

1977 **5th session (March)**: In considering the GA requests, ICSC decided to set up a working party, which considered the following points: (a) the type of survey to be made (by random sampling or by pre-selection of sample of presumed best employers); (b) practical modalities for the carrying out of the type of survey decided upon (method of classification and stratification of employers, method of sampling and size of sample. or establishment of list of presumed best employers); (c) choice of jobs to be surveyed and approval of descriptions; (d) choice of data to be collected and approval of questionnaire and covering letter to employers; (e) establishment of survey teams and directives for them; (f) method for conversion of outside gross salary to net; (g) request of the staff representatives regarding the place of the 6th session. Its report was submitted to ICSC at its 6th session *[A/32/30, para. 124]*.

As regards the type of survey (pre-selection or random sampling), in view of the strong representations made both orally and in writing by the staff representatives in favour of the method of random sampling, the working party re-examined the whole question in depth. After having examined carefully the considerations put forward by the staff representatives, it concluded that, given the purpose of the survey (i.e., to ascertain the conditions offered by the best employers in the locality), the pre-selection method was more appropriate and a better means of obtaining the relevant information than the random sample method. The staff representatives thereupon made a declaration contesting the decision taken by the working party on behalf of ICSC *[A/32/30, para. 125]*.

6th session (August/September): ICSC had been informed that earlier surveys in Geneva had revealed considerable differences in the amounts paid to men and to women respectively for equivalent work. At one time a corrective factor of 15 per cent had been applied to the outside salaries found for women on that account; subsequently, only salaries paid to male employees had been surveyed, which, in ICSC's view, (corresponding to the vast majority of the GS category) in which only women or predominantly women were employed being completely excluded from the surveys. ICSC had decided that a wider range of jobs must be surveyed than the two covered in the previous survey, with the inevitable consequence that a number of "female" jobs would have to be included. At the same time, it reaffirmed its determination that any discrimination against women which might be found in the salaries paid to women in outside employment in relation to the criteria by which jobs were classified as equivalent within the organizations should in no way be reflected in the salary scales of the organizations of the UN system. One particular form of differentiation between men and women was readily identified in the practice reported by seven of the 22 employers of granting increases of salary to employees who married while in their service, but only to male employees. ICSC was of the view that a correction should be made to ensure that practice was not reflected in the salaries to be used for establishing those of the GS category.

Two other possible forms of differentiation between the rates paid to men and those paid to women were investigated: (a) as between men and women performing the same work, i.e., those in the mixed jobs of accounts clerks, where men and women are found in roughly equal proportions; (b) as between jobs which in the organizations are considered to be of approximately equal job content and so for the purposes of the survey had been assigned the same grades, but which are stereotyped as "male" and "female" jobs (for example, as between a typist and a chauffeur, both graded at G-3, or between a secretary and an electrician, both graded at G-4) *[A/32/30, paras. 157-159]*.

ICSC concluded that the data available to it did not permit it to determine beyond doubt whether such differences in pay as were found to exist were or were not based on grounds of sex, nor the precise extent of such differentiation. However, in order to protect against the risk of such differences being reflected in the GS salary scales, ICSC decided that it would be appropriate, for the "mixed" jobs to use only the data obtained for men and, for the "female" jobs, to apply to the female salaries a corrective factor based on the differences found in pay of men and women in the "mixed" jobs by a method of analysis which took into account differences in age and which showed an average difference over the three jobs concerned of 8 per cent. Having applied those corrective measures, ICSC was satisfied that it had effectively offset any discrimination which might exist among some of the employers in remuneration of men and of women *[A/32/30, para. 161]*.

ICSC confirmed the general practice that, in deriving a single external matching salary for each internal grade from the salaries found for different jobs corresponding to that grade, the salaries for the different jobs should be weighted according to the numbers of staff employed in each job inside the organizations *[A/32/30, para. 164]*.

ICSC examined two alternative methods for determining the external matching point within the range of all the individual salaries recorded for each job. One would consist in applying a measurement retaining all salaries which did not fall more than 25 per cent below the absolute highest salary for the job and using as the matching point the arithmetical average of the salaries retained. The other would be to use as the matching point the 75th percentile of all the salaries. Applied to the present data, the two methods gave results which varied only to a small degree. Furthermore, the use of the 75th **1977** percentile as a measure was recommended in the "Guiding Principles" and had been used in most other surveys. ICSC therefore decided, again for the present survey and without prejudice to the decision it would take on future occasions, to adopt the method of the 75th percentile *[A/32/30, para. 170]*.

ICSC considered the question of internal matching points to that of the overall profile of the Geneva GS salary scale. It had been noted that over the years the salary scale had developed certain structural defects compared with the pattern generally considered desirable in such salary scales. ICSC accepted that the choice of the step to be used as the internal matching point might be influenced by the consideration of improving the harmony of the scale, as well as by differences in the average step of staff members serving in the jobs surveyed. ICSC sought to introduce some improvement into the patterns of intervals between grades and of step values, it developed a scale which while still not fully regular, increased consistently from the lowest grade to the highest. It found, however, that it was not possible to make any great improvement in the overlap between grades *[A/32/30, paras. 172-174]*.

As requested by the GA in resolution 31/193 B (1976), ICSC took fully into account the various comments and suggestions made by JIU regarding the methodology of the 1975 Geneva survey. The methodology adopted by ICSC rectified all the points which had been the subject of criticism by JIU *[A/32/30, paras. 193 and 194]*.

While ICSC could not help but notice the seeming correspondence between the sum of the last three increases and the extent by which it had found the existing level of salaries to be too high, it recognized at the same time that it would be difficult for it to attempt to arrive at conclusions on the matter of the appropriateness of the salary increases approved in 1976, bearing in mind its observations regarding the way in which GS salary scales had initially been adopted for Geneva in 1951 and the continuous changes made in the survey procedures and methodology in subsequent years. Therefore, ICSC believed it best to limit itself to recommending new salary scales based on its best judgement of what was appropriate in the light of the findings of the survey it had itself conducted *[A/32/30, para. 204]*.

Further action under article 12, paragraph 1, of the statute

The General Conference of UNESCO having called for a survey of best prevailing local conditions to be made in Paris in 1978, ICSC decided to undertake such a survey. ICSC requested the UNESCO/DG to accept responsibility for the collection of data and laid down guidelines as to the type of survey, number and choice of employers and of jobs to be surveyed and data to be collected *[A/32/30, para. 205]*.

In resolution 22/200, the GA noted with appreciation the report on the action taken by ICSC *[A/32/30, chapter IV]*, under article 12, para. 1, of its statute and in compliance with GA resolution 31/193 B (1976) with respect to the salaries of the staff in the GS category at Geneva; and noted the intention of ICSC to advance the date of its next survey and to report on GS salaries at Geneva so as to make its results available to the executive heads during the year 1980 and to inform the GA at its 35th session of the action taken in this regard.

1978 **8th session (July)**: In reviewing the data collected, as noted above, in respect of **Paris**, ICSC took special account of the fact that the 75th percentile method had consistently been used at that duty station with the full agreement of all parties. It adopted a variant of that method, adapted to avert any possible distortion of the results, given the characteristics of the data collected. Due account was taken of the differences found to exist between the conditions of employment other than salaries available to UNESCO staff and those offered to outside employees. The central point at which the outside salaries were equated to the UNESCO scale was step 6 of grade GS-3. The salary rates at other levels were derived by application of a set of intergrade coefficients, developed from the relationship between salaries at the three levels surveyed found to exist outside i.e.: GS-1 80; GS-2 90; GS-3 100; GS-4 120; GS-5 140; GS-6 160; On the basis of its findings and conclusions, ICSC recommended a salary scale, as at 1 January 1978. The weighted average of the reductions in salary for the scale as a whole was 5 per cent. The salary scale recommended by ICSC would need to be updated, by the same method as used for adjusting salaries between surveys, to the date at which the revised salary scale was to come into effect *[A/33/30, paras. 305 and 306]*.

1979 **9th session (February/March)**: ICSC had decided that the third survey it would carry out would be in **London**. In accordance with guidelines established at the 8th session, the survey was made by preselection of a group of 22 presumed best employers from various sectors of activity, including the public service, the list of which was established in consultation with the representatives of the SG and of the staff of IMCO and approved by the ICSC Chairman *[A/34/30, para. 130]*. ICSC recommended the resulting salary scale to be effective from 1 January 1979 *[A/34/30, para. 141]*.

ICSC decided that the UK General Index of Retail Prices should be used as an indicator of the time and extent to which salaries should be adjusted between surveys. The Index would be read every month and net salaries would be increased as of the first day of the month following that when the Index had reached or overtaken a level 5 per cent above its level at the time of the previous salary increase; to take account of the effect of taxation, the increase in net salaries should correspond to 90 per cent of the movement of the Index. ICSC also invited the IMCO/SG to keep a close check on the movement of the UK **1979** Average Earnings Index and to inform ICSC if it should exceed or lag behind the movement of the Index of Retail Prices by a margin large enough to justify consideration by ICSC of possible corrective action *[A/34/30, para. 143]*.

In compliance with its mandate under article 11(b) of its statute, ICSC also considered the level of dependency allowances payable to staff in the GS category in London. Having examined the amounts of family allowances payable under the United Kingdom social security system and the tax abatements allowed on account of dependants, ICSC recommended a scale of family allowances to be established, also with effect from 1 January 1979 *[A/34/30, para. 144]*.

The 4th survey carried out by ICSC was in **Montreal**. At the request of ICSC, acting under article 27 of its statute, the ICAO/SG accepted responsibility, on ICSC's behalf, for the fact-finding phase of the collection of data from outside employers *[A/34/30, para. 146]*. ICSC took account of the fact that in previous surveys conducted by ICAO, the method consistently followed was that of averaging the salaries paid by the six employers identified as being the best overall. ICSC considered, however, that the choice of six employers, was arbitrary and that ICAO competitiveness in the local labour market was not sufficiently secured by a method which relied on the ranking of a restricted group of best employers in overall terms. It therefore adopted a method of interpretation of the results which consisted in averaging, for each job, the salaries of all those employers whose salaries were above the average for that job. In determining these salaries, due account was taken of the benefits available to outside employees as compared to those available to ICAO staff *(A/34/30, para. 150)*. ICSC recommended a salary scale effective as of 1 April 1979, the date on which the annual revision of the

ICAO salary scale was due and did occur. The weighted average of the increases in salary for the scale as a whole was approximately 4 per cent *[A/34/30, para. 151]*.

ICSC also approved a system of adjustments of salaries between surveys whereby salaries would be adjusted once a year on the first of April on the basis of the combined movements of the index of Montreal salaries for the preceding 12-month period, as reported: (i) by the Quebec Industrial Relations Institute; and (ii) by Statistics Canada for the finance, insurance and real estate sectors (all employees) in the Montreal urban area. Furthermore, should the latter index increase by at least 5 per cent before the month of April, ICAO salaries would be increased accordingly as of the first day of the subsequent month. This index would be rebased to 100 in April of every year *[A/34/30, para. 152]*.

After hearing the views expressed by the representatives of the DG and of the GS staff of FAO jointly with those of IFAD, ICSC established guidelines for a survey of best prevailing conditions to be carried out in **Rome** in October-November 1979 *[A/34/30, para. 161]*.

The ICAO/SG subsequently informed the Acting Chairman that he had proposed to the ICAO Council, which in turn had accepted, the adoption of ICSC's recommendations, with one exception, regarding the revised salary scales and method of interim adjustments of salaries. The scales were implemented with retroactive effect to 1 April 1979, together with the revised rates of dependency allowances. The exception to the ICSC recommendations concerned the implementation of the new gross salary rates proposed by ICSC, the determination of which represented a departure from previous ICAO practice *[A/35/30, para. 178]*.

ICSC took decisions regarding the methodology of the survey to be made in **New York**. After hearing the representatives of the SG and of the UN and UNDP staff, ICSC decided that the survey should cover the three categories: GS, Manual Workers and Security Service.

It was made by pre-selection of a group of presumed best employers, between 30 and 40 for the GS category and eight each for the other two categories. Lists of employers drawn up after consultation with the administrations and the staff were approved. General directives were given as regards the jobs to be surveyed but final approval of the lists as well as of the job descriptions was delegated to the Chairman. ICSC emphasized the importance of precise and understandable job descriptions, particularly considering that this was the first survey conducted by the UN system for the GS category in New York and that its scope would be more comprehensive than those of earlier surveys for the other two categories. ICSC expressed its concern that the organizations in New York did not have a job classification system for their locally-recruited categories and that there existed no established and tested formal job descriptions, which meant that the descriptions had to be drafted for the first time specifically for the purpose of the survey *[A/34/30, para. 155]*.

The representatives of the DG and of the staff of IFAD having urged that ICSC should if possible establish in advance the methodology to be used in interpreting data of the survey in **Rome**, ICSC considered proposals for such a methodology based on that applied in 1974 and approved it in principle, on the understanding that certain aspects might be revised at the 11th session when ICSC had the data before it *[A/34/30, para. 162]*.

1980 **11th session (February/March)**: When reviewing the survey results for **Montreal** at its 10th session, ICSC had been informed that in converting net salaries to gross, by application of the rates of staff assessment, ICAO had always used a constant rate of exchange of $Can 1 to $US 1, irrespective of the actual rate. ICSC had concluded that the actual rate of exchange (in force in April 1979) should be used in conformity with the practice elsewhere. In order to protect acquired rights of the staff, it had recommended, as a transitional measure, that gross salaries at four particular points of the scale, which

would otherwise have declined, should be maintained at their current levels until the next salary adjustment. At that session, the representatives of the SG and of the staff of ICAO had not had an opportunity to present their views on this particular aspect of ICSC's report since they had left New York before the point was taken up by ICSC *[A/35/30, para. 179]*.

ICSC was informed that the representative of the ICAO staff had objected to this recommendation and the ICAO Council, through the SG, had requested ICSC to reconsider the matter. Meanwhile, ICAO was continuing to apply, unchanged, its system of computing staff assessment.

At the outcome of its deliberation, ICSC unanimously concluded that the method of computing staff assessment and PR applied at all duty stations throughout the world, except at Montreal, was technically the proper one to apply. ICSC therefore urged the SG and the Council of ICAO to recognize that sooner or later the universally applied grossing-up method had to be adopted for the GS category at Montreal. With regard to transitional measures, ICSC could not accept the concept of an "acquired expectation" to a level of PR based on a non-existent rate of exchange *[A/35/30, paras. 180-183]*.

ICSC decided, however, (with one member dissenting) to recommend that the difference between the levels of PR resulting from the previous ICAO grossing-up method and those resulting from the generally used method (in the order of 2 per cent) be absorbed gradually on the occasion of each adjustment of salaries over a period of at least 3 and at most 5 years starting from April 1979. It would be for the ICAO/SG - if so required, with the agreement of the Council - to establish the relevant modalities. Subsequently, the ICAO/SG informed the Acting Chairman that he had proposed and the ICAO Council had approved the adoption of the ICSC recommendations *[A/35/30, paras. 184-185]*.

ICSC considered a request from the UNRWA Commissioner-General to carry out surveys which would be used to establish pay and other conditions of service of the **UNRWA area staff**. It decided: (a) to undertake responsibility for a survey of local conditions relevant to the conditions of employment of area staff of UNRWA, in the first place in the occupied territories, to be carried out with the assistance of a consultant to be engaged by ICSC at the expense of UNRWA; (b) to delegate to a panel of its members the responsibility for examining the survey report, hearing the views of administration and staff and making recommendations, in the name of ICSC and on its behalf, directly to the UNRWA Commissioner-General with a copy to the UN/SG; the panel was to meet prior to ICSC's 12th session and report back to ICSC at that session on the discharge of the functions delegated to it *[A/35/30, paras. 324 and 325]*.

12th session (July/August): ICSC decided to place the survey of best prevailing conditions in **Vienna** on its work programme for the 13th and 14th sessions in 1981 *[A/35/30, para. 214]*.

In accordance with the decisions taken by ICSC at its 10th and 11th sessions, data on best prevailing conditions of employment in **Geneva** were collected between 17 April and 31 May 1980 by two survey teams. ICSC examined the data and heard the views of the representatives of the administrations and staff of the Geneva-based organizations *[A/35/30, para. 162]*. The data collected on salaries and age, sex and seniority of the employees in comparable jobs related to 1 March 1980. ICSC agreed to proceed with the analysis on the basis of individual or average salaries. ICSC decided to add to salary a number of cash bonuses and allowances paid by some of the employers. It took note of additional benefits offered by some employers to their employees, such as financial assistance in the form of low-interest loans and high-interest savings accounts, concessional air travel, reduced rates for insurance policies, etc., but it concluded that none of these benefits justified any further adjustment to

salaries, particularly when account was taken of the fact that leave provisions among the organizations were more generous, on the whole, than outside *[A/35/30, para. 166]*.

ICSC reconfirmed its decision, taken at the 11th session (February-March 1980), to request the University of Geneva's "Centre d'étude de technique et d'évaluation legislatives" (CETEL) to undertake a **study on the extent of differentiation in Geneva in the remuneration paid to men and women for work of equal value**. In the meantime, ICSC decided, after hearing the views expressed by the administrations and staff, that the application of the same 8 per cent adjustment to salary data as was made in 1977 was the soundest approach for the time being for dealing with the differentiation in salaries paid to men and women. This would apply only to the female employees in the "typically" female jobs; otherwise, for the male and mixed jobs, ICSC utilized the salaries of male employees only. Once the results of the University study were available, ICSC would review the question once again to see what action was required *[A/35/30, para. 167]*.

ICSC found that there were two basic features of the scale which required correction: excessive overlap between grades which was contributing to crowding of staff at the top of the scale and affecting staff morale; and lack of uniformity in grade intervals and percentage step values within grades. These same deficiencies had been reviewed by ICSC following the 1977 survey. ICSC considered it desirable to correct the existing weaknesses in the profile of the scale, to the extent possible *[A/35/30, para. 170]*. ICSC constructed the scale in net terms with due regard to step values, grade intervals and overlaps. The resulting scale of gross and net salaries was recommended by ICSC as of 1 March 1980. The resulting overall weighted average increase in salaries at step VI of the scale was 6 per cent net in relation to the 1 January 1980 scale. ICSC recommended that the net salaries should be updated by the net equivalent of the evolution of the Geneva CPI from February 1980 to the month preceding that in which the revised scale would be implemented. ICSC then decided to recommend the use of the Geneva CPI for the purpose of interim salary adjustments. It also recommended that the interim adjustments should be effective on the first day of the month following that when the index reached 5 per cent or more in relation to its level during the month preceding the last adjustment, or after 12 months, whichever occurred first. ICSC confirmed that the full index movement should not be applied to net salaries since that would disregard the impact of tax progression. ICSC decided to recommend that the impact of the tax progression should be determined at a point midway through the scale and the resulting net equivalent of the CPI movement would be applied to all net salaries, as a single percentage value. On a related issue, ICSC reviewed recent developments regarding the 1 January 1980 adjustment to the salary scales. It decided to recommend that an additional 0.7 per cent, based on the movement of the OFIAMT salary index should be applied as a further adjustment to the scale, above the 2.3 per cent already recommended, with effect from 1 January 1980 *[A/35/30, paras. 171-175]*.

ICSC reviewed the issue of the procedure of adjustments of salaries between surveys following the presentation of detailed additional information by the DG and staff of FAO on the relative merits of various price and salary indices. ICSC decided to recommend the continued use of a composite salary index, corresponding to all of Italy, the movement of which would be applied to pre-tax salaries whenever it increased by 5 per cent or more over the level reached at the time of the previous adjustment, or after 12 months, whichever occurred first *[A/35/30, para. 211]*.

In respect of **UNRWA**, ICSC decided: (a) to reconfirm its intention to complete in the first place the survey of local conditions relevant to the conditions of employment of UNRWA area staff in the West Bank (including Gaza staff as well), to extend the appointment of the members of the panel and to schedule the meeting of the panel, with regard to the survey in the West Bank, for 6 to 10 October 1980 in Vienna; (b) to approve in principle the undertaking of surveys in the Syrian Arab Republic and Lebanon relevant to the conditions of employment of UNRWA area staff in those locations, with the

assistance of a consultant or consultants to be engaged by ICSC and responsible for the data collection, analysis and report writing, under the guidance and supervision of the secretariat, the expense of the consultant(s) and other survey-related costs, including travel of ICSC and secretariat members, to be borne by UNRWA; (c) to schedule, in principle, the data collection for the survey in the Syrian Arab Republic for the fourth quarter of 1980, to allow the panel to review the survey report prior to the 13th session of ICSC, and to schedule the data collection for the Lebanon survey for 1981, to permit the consideration of the survey results by the panel prior to the 14th session of ICSC; (d) to request its secretariat to work out the details for the conclusion of the survey in the West Bank and the preparations of the surveys in the Syrian Arab Republic and Lebanon, in consultation with the UNRWA administration and area staff *[A/35/30, para. 327]*.

1981 **13th session (March)**: Following a decision of the ILO Governing Body *(see A/36/30, para. 126)*, the staff representatives requested a meeting with ACC to discuss the ILO decision and its implications for the staff of other organizations in **Geneva**. In ACC, it had been decided that the UN/SG and the executive heads of the six other Geneva-based organizations would meet with the staff. That meeting had taken place on 1 July 1981. Subsequently, the executive heads of six of the organizations had taken the following decision: "Following their meeting with the staff representatives of the UN, WHO, ITU, WMO, GATT and WIPO on 1 July 1981 to discuss the recent decision of the ILO Governing Body to increase, with effect from 1 March 1981, the pre-1978 net salary scale applicable to ILO GS staff recruited before 1 January 1979 by 3 per cent, the executive heads of the other six Geneva-based organizations have decided that they would bring before the ICSC and their respective governing bodies, the matter of the abnormal situation of unequal remuneration between similar groups of GS staff in Geneva resulting from the ILO decision, and their intention to grant a comparable increase in the net remuneration, retroactive to 1 March 1981, to those GS staff in their organizations to whom the pre-1978 scale had been applicable" *[A/36/30, para. 127]*. ICSC recognized that the issue at hand was a fundamental one which touched the very nature of ICSC's existence and the principles underlying the concept of a single, unified international civil service through the application of common personnel standards, methods and arrangements. While the salary surveys themselves might be carried out only once every several years, the issues of equal treatment of staff, common personnel standards, methods and arrangements, and collective responses to matters of mutual concern would remain ever present with the organizations and their staff *[A/36/30, para. 131]*.

ICSC reviewed a progress report which provided information on the **West Bank survey** and on the deliberations and recommendations of the Panel, as well as on the follow-up given by the Commissioner-General of UNRWA and the status of the surveys under way at the time in the **Syrian Arab Republic and Lebanon**. ICSC endorsed the Panel's approach to the UNRWA surveys; confirmed the practice of excluding UN offices from among the surveyed employers; and extended the mandate and composition of the Panel through 1981. It also requested the Chairman to undertake discussions with the Commissioner-General of UNRWA on the question of the structure of the UNRWA salary scales, the determination of salaries for the upper grades and the establishment of a separate scale for the teachers *[A/36/30, para. 243]*.

14th session (July): ICSC reviewed the results of the survey of best prevailing conditions in **Vienna**. The survey was the 8th survey to be made by ICSC and the last in the first round of HQ salary surveys. Guidelines for the survey were established by ICSC at its 13th session in consultation with the representatives of the administration and staff of the Vienna-based organizations. The survey was made following the pre-selection of a group of best employers and covered both the GS and the Manual Workers in a single exercise *[A/36/30, para. 144]*. ICSC also recommended procedures according to which the salary scales in Vienna would be adjusted in the interim period between surveys. It considered the level of dependency allowances and established, by reference to local

practice, a revised scale of allowances to become effective on the same date as the revised salary scales *[A/36/30, para. 148]*.

ICSC considered a further progress report on the surveys in the **Syrian Arab Republic and Lebanon** for which the data collection and analysis had already been completed, summarizing the consultations between the Chairman and the Commissioner-General of UNRWA and reviewing the requests by UNRWA for the future involvement of ICSC in UNRWA activities. ICSC took note of the progress made in the two new salary surveys and expected to receive the Panel's report at its 15th session. As regards the Chairman's discussions with the Commissioner-General, it endorsed the position that substantial modifications to the structure of the UNRWA salary scales and the question of the introduction of a separate scale for teachers would be the responsibility of UNRWA. Neither ICSC nor the Panel would take the initiative in that regard, but the Panel would attempt to provide UNRWA with as much information as possible to assist it in its consideration. It would also try to recommend salaries for the upper grades of the scales and to indicate appropriate salary levels for teachers, in the event that UNRWA was to establish a separate scale for them *[A/36/30, para. 244]*.

A request by the Commissioner-General for ICSC to participate in salary surveys for UNRWA beyond its current commitment for the year 1981 was considered but postponed, pending review, at the 15th session, of the report of the Panel on the surveys in the Syrian Arab Republic and Lebanon. ICSC did stipulate, however, that its involvement in UNRWA activities should not represent any expense to ICSC's limited budget; nor should the activities interfere with the normal functions of the secretariat *[A/36/30, para. 245]*.

By **resolution 36/233**, the GA regretted the ILO decision to adopt only for GS staff recruited after January 1979 the salary scales recommended by ICSC, and to increase from 1 March 1981 by 3 per cent the net salary scale in force for GS staff in service in 1978 or earlier.

1982 **15th session (March)**: ICSC studied a report prepared for it by CETEL on the **differences in remuneration between men and women in Geneva**. It: (a) took note of the useful study carried out by CETEL on the question of the difference in remuneration between men and women in Geneva; (b) concluded that the results obtained by CETEL did not lend themselves to direct application to the findings of the 1980 salary survey; (c) observed that the commonly espoused claim of sex discrimination in remuneration in Geneva would appear to be valid; (d) further concluded that it was not possible to arrive at a single, global figure of the percentage differential in male/female remuneration for work of equal value on the basis of purely objective means; (e) decided to adjust female mean salaries upward by a factor of 10 per cent; (f) further decided to request its secretariat to work out a revised salary scale for GS staff in Geneva retroactive to March 1980, the survey's reference date; (g) delegated to its Chairman the authority to approve and communicate the new salary scale, as revised, to the UN/SG and the executive heads of all Geneva-based organization *[A/37/30, para. 188]*.

ICSC received a report from the Panel of Commission members who had been delegated the responsibility for in-depth examination of the survey results for UNRWA Area Staff. ICSC also considered the request of the UNRWA Commissioner-General that it continue to be involved in further assistance to UNRWA beyond the current period. ICSC decided to: (a) take note of the report of the Panel on the recent surveys conducted in the Syrian Arab Republic and Lebanon but did not consider it appropriate to modify the practice which the Panel was following with regard to the exclusion of UN employers in salary surveys, although it agreed that the Panel could collect the salaries of UN offices to use in a suitable, pragmatic way; (b) accept the responsibility for further assistance to UNRWA in matters relating to the conditions of service of its staff, including the establishment of appropriate salary scales through salary surveys, mini-surveys and/or spot checks of surveyed employers, advice

on interim adjustments and the development of policy on other non-salary conditions of service, the scope of such assistance to be periodically reviewed by ICSC, with the details to be agreed upon between UNRWA and the Chairman. In so doing, ICSC accepted further responsibility for UNRWA area staff salary surveys, on the basis of its decision reported to the GA at its 36th session. ICSC noted that its further involvement should not represent any expense to the limited budget of ICSC; nor should the activities interfere with the day-to-day functioning of the secretariat. In that respect, UNRWA would provide ICSC funding for one full-time staff member at the P-3 level, one month per year of temporary secretarial assistance and related travel costs of the staff and Commission members for mutually agreed missions, and would also cover incidental expenses *[A/37/30, paras. 331-333]*.

1983 **17th session (March)**: ICSC had before it a progress report *(ICSC/17/R.26)* prepared by its secretariat on **assistance to UNRWA**. It decided that: (a) data collection should begin immediately for the Jordan survey, which should be limited to non-teaching jobs; (b) a limited survey in Jordan to cover teaching jobs should be undertaken as soon as feasible, following agreement reached with the Teachers' Union on holding such a survey; (c) preparations should be made for a second round of ICSC/UNRWA surveys, in consultation with the administration and staff involved *[ICSC/17/R.28, para. 224]*.

18th session (July/August): ICSC considered the report on the 1982 local salary survey in **Paris**. Its detailed recommendations to the UNESCO/DG can be found in that report *(ICSC/18/R.34, paras. 77-78)*. The resulting salary scales are reproduced in annex II to the 9th annual report *[A/38/30]*.

ICSC reviewed also the report on the 1983 local salary survey in **Montreal**. Its recommendations to the ICAO/SG can be found in that report *(ICSC/18/R.35, paras. 74-75)*. The resulting salary scales are contained in annex III to the 9th annual report *[A/38/30]*.

ICSC considered a document by its secretariat *(ICSC/18/R.28)*, which included a report on the review by the ICSC Panel of the results of a survey of local conditions of employment in **Jordan** relevant to the conditions of service of **UNRWA** Area Staff in non-teaching positions as well as the preparations under way for the second round of ICSC/UNRWA surveys. ICSC was informed that UNRWA had implemented the Panel's recommendations as of July 1983. UNRWA requested that a survey of teachers' positions in Jordan be conducted as soon as practicable. After having considered the request of UNRWA, ICSC took note of the Panel's report and decided: (a) on the composition of the Panel for the second round of survey; (b) that data collection for the Syrian Arab Republic survey should be conducted as requested by the UNRWA administration and staff representatives; (c) that data collection for the remaining survey in Jordan covering teaching positions should immediately follow the data collection in the Syrian Arab Republic; (d) that the date of data collection in the occupied territories (West Bank and Gaza) should be left open, but should not be undertaken later than spring 1984 *[ICSC/18/R.33, paras. 147-150]*.

The GA, in **resolution 38/234,** approved proposals by the UN/SG whereby UN language teachers became a separate group of locally recruited staff to be remunerated in accordance with the best prevailing local conditions of employment at each duty station concerned, with effect from 1 January 1984. Provisional salary scales, which were to remain in force until ICSC determined the appropriate salary scales on the occasion of its next survey, were established for the language teachers.

1984 **19th session (March)**: ICSC had before it document ICSC/19/R.21, submitted by its secretariat, dealing with the report of the **Panel on the conditions of service of Area Staff of UNRWA**. ICSC was informed that its secretariat had conducted comprehensive surveys of conditions of service for teaching staff in Jordan and for all staff in Gaza/West Bank and the Syrian Arab Republic. The ICSC Panel's recommendations to the UNRWA Commissioner-General were summarized in the secretariat document. ICSC was informed that the Commissioner-General was concerned with the Panel's recommendations in draft form. Cost estimates had also increased from $US 18 million to $US 21

million to $US 39.5 million. ICSC noted that it would be difficult for the Panel to reconsider its report, except on the joint request of both the UNRWA administration and staff representatives. It therefore referred the matter back to the Panel for its consideration and advice. The Panel decided that the ICSC secretariat should provide the UNRWA administration with all relevant data pertaining to the recently conducted surveys for further study as requested. It requested the secretariat to provide assistance to the extent possible to the UNRWA administration in carrying out the further analysis of the data. It also decided to request the UNRWA Commissioner-General to convey the results of the further study to the Chairman of ICSC for subsequent action, if necessary. ICSC noted the decisions of the Panel and requested its Chairman to report on further developments in that regard to the 20th session *[ICSC/19/R.22, paras. 212 and 215-218]*.

20th session (July): On the basis of ICSC's experience in the last round of surveys in Gaza/West Bank, the Syrian Arab Republic and Jordan, ICSC reviewed the entire issue at its 20th session. After a careful consideration of all aspects, **ICSC came to the conclusion that the time had come for UNRWA to undertake directly, in consultation with its Area Staff, surveys which would lead to the establishment of salaries and other conditions of employment for the area staff. ICSC's decision in this regard was communicated by the Chairman of ICSC to the Commissioner-General of UNRWA** *[A/39/30, para. 236]*.

ICSC had before it the report on the survey of best prevailing conditions of service for staff in the GS, Trades and Crafts and Security Service categories and for Public Information Assistants and Tour Coordinators in **New York**. The detailed recommendations to the UN/SG, the UNDP Administrator and the UNICEF Executive Director can be found in that report *(ICSC/20/R.29, paras 161-174)*. The resulting salary scales can be found in annex VIII to the 10th annual report *[A/39/30]*.

ICSC reviewed also the report on the survey of best prevailing conditions of service for the GS in **Rome**. The recommendations to the FAO/DG and the President of IFAD can be found in that report *(ICSC/20/R.30, paras. 82-84)*. The resulting salary scales are reproduced in annex IX to the 10th annual report *[A/39/30]*.

1985 **21st session (March)**: ICSC reviewed the report on the local salary survey for the GS category in **London**. ICSC's recommendations to the IMO/SG are to be found in document ICSC/21/R.25, paras. 69-71. The recommended salary scales are contained in annex VII to the 11th annual report *[A/40/30]*.

22nd session (July): ICSC had before it the report on the survey of best prevailing conditions of service of the GS and related categories in **Geneva**. ICSC's recommendations to the executive heads of the Geneva-based organizations can be found in document ICSC/22/R.24, paras. 87-89. Since the number of language teachers was small and they all worked for one organization (the UN), ICSC delegated the task of data collection and its preliminary analysis to the UN administration *[ICSC/21/R.24, para. 118]*. The resulting salary scales are reproduced in annex VI to the 11th annual report *[A/40/30]*.

1986 **23rd session (March)**: ICSC agreed to a request by the UN for a salary survey to be conducted in spring 1986 for the language teachers in **New York.** It delegated to the Chairman the authority to approve the questionnaire, job descriptions and employees to be selected, and to the UN responsibility for the data collection and preliminary analysis. The UN was requested to submit a report to the ICSC secretariat in time for consideration by ICSC at its 24th session (July 1986) *[ICSC/23/R.19, para. 206]*.

1987 **25th session (March)**: ICSC considered the preparations for the survey of best prevailing conditions of service of the GS and related categories at **Vienna**. It decided to delegate the responsibility for the

collection and analysis of survey data for language teachers to the UNIDO administration since it was the only organization in Vienna with such teachers *[ICSC/25/R.18, para. 96]*.

26th session (July): ICSC reviewed the report on the survey of best prevailing conditions of service for staff in the GS and related categories at **Vienna** and made recommendations to the executive heads of the Vienna-based organizations *(ICSC/26/R.26, paras. 107-108)*. The resulting salary scales (including language teachers) are contained in annex XIV to the 13th annual report *[A/42/30]*.

ICSC approved the **timetable for the third cycle of salary surveys** as follows:

HQ duty station	Pre-survey document to ICSC session	Final document to ICSC session
Montreal	March 1988	July 1988
Paris	July 1988	March 1989
Rome	March 1989	July 1989
New York	July 1989	March 1990
London	March 1990	July 1990
Geneva	July 1990	March 1991
Vienna	March 1991	July 1991

[ICSC/26/R.25, paras. 83-85].

1988 **27th session (March)**: ICSC took up the report on the survey for **language teachers in New York** *(ICSC/27/R.24, paras. 118-124)*. The recommended salary scale is reproduced in annex IV to the 14th annual report *[A/43/30]*.

At the request of the staff representatives of the **Vienna**-based organizations, ICSC took up the question of the **Commissary benefit**, on which it had decided, in the context of the 1987 salary survey, to place a value of 2.4 per cent of average net salary at the G-5 level (the most populous GS grade). ICSC noted that it had taken its decision on the issue based on all available information at the time and that no further data were available currently. It requested its secretariat to obtain further information on the Commissary benefit and report its findings at the 28th session *[ICSC/27/R.24, paras. 242-246]*.

28th session (July): ICSC considered a report on the 1988 survey of best prevailing conditions of service in **Montreal**. Its recommendations to the executive head of ICAO can be found in document ICSC/28/R.16, paras. 86-87. The salary scales recommended by ICSC are provided in annex V to the 14th annual report *[A/43/30]*.

ICSC considered data provided by the Vienna-based organizations in respect of the value of the **Commissary** benefit. These data showed that the savings to staff in the GS and related categories were in the order of AS 30,000 in 1987. ICSC noted that it had been conservative in its estimate of the value of AS 6,600 which it had used as a basis for the 2.4 per cent value assigned to the Commissary. It decided that, based on the additional data submitted, it would not revise the decision which it had taken on the issue at its 26th session *[ICSC/28/R.15, paras. 69-74]*.

1989 **29th session (March)**: ICSC reviewed the results of the survey of best prevailing conditions of service for the GS category in **Paris** *(ICSC/29/R.2)*. It recommended to the UNESCO/DG salary scales as reproduced in annex IV of its 15th annual report *[A/44/30]*.

ICSC rescheduled the **Rome** GS salary survey for the spring of 1990. It requested organizations to adhere in the future to the timetable established by ICSC at its 26th session, which had been arrived at after full consultations between ICSC and representatives of the organizations and staff *[ICSC/29/R.11, para. 94]*.

1990 **31st session (March)**: ICSC considered a report prepared by its secretariat *(ICSC/31/R.13)*, in the context of arrangements for the salary survey for the GS and related categories in **Geneva**, on the current situation in Switzerland as regards **differences in pay between men and women.** It concluded that a study should be undertaken which would be limited to differences in remuneration for the same job. The draft terms of reference for the proposed study should be submitted to ICSC at its 32nd session *[ICSC/31/R.15, para. 163]*.

ICSC also reviewed the results of a survey of best prevailing conditions of service for staff in the GS, Trades and Crafts and Security Service categories in **New York**, *(see document ICSC/31/R.16)*. The recommended salary scales are reproduced in annex VII to ICSC's 16th annual report *(A/45/30)*. They reflected overall increases *vis-à-vis* the scales in effect as of 1 November 1989 of 10.73 and 14.09 per cent for the Trades and Crafts and the Security Service categories, respectively. For the GS category, the scale resulting from the survey was 0.3 per cent higher than the scale in effect on 1 October 1989 but 4.6 per cent lower than the scale in effect from 1 November 1989 *[ICSC/31/R.15, para. 151]*.

ICSC was informed that both the UN and the ILO Administrative Tribunals had heard legal challenges to the salary scale implemented by the executive heads of the Vienna-based organizations, with respect to the treatment of **Commissary** benefits. The ILO Tribunal, in judgement No. 1000, (binding upon both UNIDO and IAEA), had found for the complainant and set aside the salary scales that had come into effect on 1 October 1987. In addition, the Tribunal had decided that the cases should be sent back for recalculation of pay. The UN indicated that the UN/SG would uphold the commonality of the common system and therefore would not contest the parallel case before the UN Administrative Tribunal.

ICSC took note of the ILOAT judgement. It recommended to the Vienna-based organizations for application to the GS and Trades and Crafts category, in accordance with the judgement, a revised salary scale *(ICSC/31/R.15, annex VIII)*. It requested its secretariat to provide it, at the 32nd session, with a statement of the implications of the judgement for the current HQ survey methodology *[ICSC/31/R.15, paras. 181-187]*.

32nd session (July/August): ICSC reviewed a document reporting on the planning phase of the salary survey in **Geneva** scheduled for the fall of 1990. It also had before it draft terms of reference for the study on the gender discrimination factor in Geneva. ICSC decided to approve the terms of reference and to delegate to its Chairman the selection and appointment of the consultant to conduct the study, as well as the responsibility for revising the terms of reference, if required, in consultation with the consultant *[ICSC/32/R.24, paras. 42-51 and annex VI]*.

ICSC conducted a survey of best prevailing conditions of service for the GS and related categories in **London** *(ICSC/32/R.25)* and recommended a salary scale which can be found in annex XVI to its 16th annual report *[A/45/30]*.

A survey was conducted of best prevailing conditions service for the GS and related categories in **Rome** *(see ICSC/32/R.26)*. ICSC recommended a salary scale which can be found in annex VIII of its 16th annual report *[A/45/30]*.

In respect of the **Vienna Commissary** issue, ICSC reported to the GA that it had requested its ICSC secretariat to provide it with a statement of the implications of ILOAT Judgement No.1000 and would revert to the matter on that basis in 1991 *[A/45/30, para. 239 and annex XIX]*.

ICSC was informed that the UN/SG had promulgated with effect from 1 October 1989 the revised salary scales for staff in the Trades and Crafts and Security Service categories in **New York** as proposed by ICSC. The SG had decided, however, not to promulgate the salary scale recommended by ICSC for the GS category pending the review of the report to be prepared by a special Joint Advisory Committee. Subsequently, the SG decided not to implement the scale recommended by ICSC.

Following consideration of the matter, ICSC decided to report to the GA, in accordance with article 17 of its statute, that the UN/SG, acting in concert with the executive heads of UNDP and UNICEF, had not accepted the salary scale recommended by ICSC as a result of the survey of best prevailing conditions in **New York** in October 1989, but instead had implemented the November 1989 survey scale, with effect from 1 October 1989. ICSC regretted this action because it violated the principle of best prevailing local conditions which governed the determination of GS salaries, thereby setting an unfortunate precedent which in the future could damage the common system accepted by participating organizations. Furthermore, this decision could erode confidence in ICSC, thereby damaging its authority and therefore its capacity to function as envisaged in the statute *[A/45/30, paras. 291, 292, 304 and 306]*.

By **resolution 45/241**, the GA: (a) noted the application of the salary scale of the GS category in New York put into effect as of 1 October 1989 and decided that this scale should not constitute a precedent for future salary surveys; (b) requested the SG to adjust the salaries of the GS category as determined by ICSC so that there was no disparity by the time of the next survey; (c) requested the SG to submit to the GA at its 47th session a report on procedures whereby the SG and other executive heads could take measures regarding salary scales of the GS category at variance with ICSC recommendations, only after consultations with appropriate intergovernmental bodies and ICSC.

1991 **33rd session (March)**: ICSC reviewed the consultant's report on the study of the **difference in remuneration between men and women in Geneva** *(ICSC/33/R.9)*. The consultant had concluded that, as regards the employers included in the ICSC survey, there was no difference in remuneration that could not be explained by factors other than gender. The results of the consultant's study showed that a difference of 2.5 per cent in remuneration between men and women did, however, exist in the Geneva labour market, but that that difference could not be considered statistically significant *[ICSC/33/R.16, paras. 87-88]*.

ICSC decided that there was no evidence to suggest that an adjustment should be made to the results of the Geneva GS salary survey to account for gender-based discrimination in pay. It agreed, however, that an opportunity should be provided to representatives of administration and staff of the Geneva-based organization to review the study in greater detail, including any necessary clarifications from the consultant. ICSC requested its secretariat to prepare a report on this item for submission to the 34th session, only if major errors were found in the study that would lead to different conclusions regarding the adjustment factor *[ICSC/33/R.16, para. 96]*.

ICSC reviewed the results of the survey of best prevailing conditions of service for the GS and related categories and language teaching staff in **Geneva** *(ICSC/33/R.17)*. It was informed at its 34th session

that the organizations had implemented ICSC's recommended scale with effect from 1 January 1991. The scale is reproduced in annex VII to ICSC's 17th annual report *[A/46/30]*.

34th session (August): ICSC reviewed the results of a survey of best prevailing conditions of service for the GS and related categories and language teaching staff at **Vienna** *(ICSC/34/R.18)*. The recommended salary scales for the GS and language teaching staff were lower than the current scales by 2.05 and 6.7 per cent, respectively. The scales are reproduced in annex VIII to the 17th annual report *(A/46/30)*.

ICSC decided to address the **Vienna Commissary** issue at the time of its review of the GS survey methodology, which was scheduled to be undertaken during 1992 *(see section 2.2.10)*. Accordingly, Commissary benefits were neither quantified nor taken into account in the context of the 1991 Vienna survey *[ICSC/34/R.18, para. 66]*.

1992 **36th session (July/August)**: ICSC approved the **timetable for the fourth round of salary surveys** as follows:

Duty Station	Pre-survey document to ICSC session	Survey document to ICSC session
Paris	Spring 1993	Summer 1993
Montreal	Summer 1993	Spring 1994
Rome	Spring 1994	Summer 1994
New York	Summer 1994	Spring 1995
Geneva	Spring 1995	Summer 1995
London	Summer 1995	Spring 1996
Vienna	Spring 1996	Summer 1996

[ICSC/36/R.17, para. 41 and annex III].

1993 **37th session (March)**: ICSC reviewed information on preparations for the upcoming salary survey for the GS in **Paris** *(ICSC/37/R.12)*. ICSC expressed its regret regarding the decision of the staff associations to suspend their participation. It expressed appreciation for the position taken by the administration of UNESCO and ICAO to proceed with the survey as planned.

ICSC took note of the status of preparations for the survey and renewed its invitation to staff representatives to participate in the survey. It noted the Chairman's intention to exercise his delegated authority in respect of the preparatory phase *[ICSC/37/R.18, para. 167 and 173]*.

38th session (July): ICSC considered the results of a survey of best prevailing conditions of service for the GS and related categories at Paris (see ICSC/38/R.20). It recommended a salary scale for promulgation. The effect of the survey was that a 3.4 per cent interim adjustment in salaries due as of 1 January 1993 was not granted. Furthermore, as the scale resulting from the survey was lower than the existing scale, the next 3.8 per cent increase due to inflation would not result in an increase in salaries. On the other hand, increases in the levels of the spouse and children's allowances were recommended as a result of the survey. Based on the survey data, it was also proposed that the non-pensionable component be eliminated *[A/48/30, para. 198 and annex IX]*.

In a letter dated 11 July 1993, the President of FICSA informed the ICSC Chairman that FICSA would not resume participation in the work of ICSC until such time as ICSC acceded to the FICSA request, *inter alia*, for the data used in the Paris salary survey as well as the calculations based thereon. The President of FICSA also informed the Chairman that, pending a review of the methodology, it would be necessary to withhold implementation of the results of the Paris survey. ICSC could not, as a matter of principle, accept any preconditions to FICSA participation in the work of ICSC. It was willing to provide FICSA with data and the details of the relevant calculations pertaining to the Paris GS salary survey, but could not agree to its suggestion that the implementation of the survey results be delayed.

ICSC reported to the GA that under article 12 of its statute, ICSC had carried out a survey of best prevailing conditions of employment for the GS and related categories of staff in Paris. The UNESCO Staff Association (STA, affiliated to FICSA) and the International Staff Association of UNESCO (IPAU, affiliated to CCISUA) did not participate in the pre-survey consultations regarding the survey or in the data collection exercise. However, IPAU had participated in the ICSC deliberations of the Commission on the survey at its 38th session *[A/48/30, paras. 12 and 13]*.

ICSC took note of information on preparations for the upcoming survey at Montreal *(ICSC/38/R.12)*. It noted the Chairman's intention to exercise his delegated authority in respect of the preparatory phase. It requested its secretariat: (a) in close cooperation with the representatives of the ICAO administration and staff, to collect data relevant to differences in pay between men and women at Montreal; (b) to update the list of countries which provided legal exemption from income tax liability in respect of pension benefits from UNJSPF *[ICSC/38/R.19, paras. 82-88]*.

ICSC noted that its decisions with regard to the 1990 Geneva GS salary survey had been subsequently challenged by WIPO staff in the ILO Administrative Tribunal with regard to: (a) the use of the standard Swiss tax schedule to "convert gross salary paid by an employer to non-Swiss staff whose earnings were exempt from tax and gross salary paid by two other employers who had concluded tax mitigation agreements with the inland revenue"; (b) the inclusion, in the comparison process, of "two steps, 13 and 14, granted by two Geneva-based organizations" (ILO and WHO). The ILO Tribunal had endorsed ICSC's conclusions on the first issue. With regard to the consideration of extra within-grade steps, the Tribunal had agreed that the complainants were "right in so far as they object to the counting of the within-grade step increments that the ILO and the WHO grant to General Service staff". In that regard, the Tribunal considered it to be "unfair to count benefits improperly granted to the staff of some organizations and so artificially inflate the comparative figures of pay of staff in organizations like UPOV (Union for the Protection of New Varieties of Plants) that do abide by the rules of the system". As a result of the decision on that case and a related case (No. 1266), the WIPO/DG had written to the ICSC Chairman requesting assistance in providing him with revised salary scales pursuant to the Tribunal decision. The UN representative informed ICSC that his Organization would implement the decision of the ILO Tribunal. ICSC decided that an interim reply should be sent to the WIPO/DG. In the meantime, the executive heads of the Geneva-based organizations should be consulted. After the responses were received, the ICSC Chairman should provide, on the basis of the ILO judgement, a new salary scale to the executive heads of the Geneva-based organizations for appropriate action *[A/48/30, paras. 254-260]*.

1994 **39th session (March)**: ICSC, in October 1993, conducted a survey of best prevailing conditions of service for the GS and related categories at **Montreal**. As a result of the survey, ICSC recommended a salary scale that was 7.8 per cent lower than the existing scale and an increase in the amounts of dependency allowances. As the recommended scale was lower than the existing scale, interim adjustments attributable to inflation would not be granted until the recommended scale as adjusted for

inflation overtook the existing scale. The salary scale that ICSC recommended to the ICAO/SG is shown in annex V of its 19th annual report *[A/48/30, paras. 209-210]*.

40th session (June/July): ICSC considered information on preparations for the upcoming salary survey for the GS and other related categories of staff at two HQ locations : (a) **Rome** *(ICSC/40/R.8 and CRP.6)*: note was taken of the status of the survey preparations and the intention of the Chairman to exercise his delegated authority to approve the main and reserve list of employers, the survey jobs, job descriptions and questionnaire. ICSC decided that: (i) the reference date should be November 1994 or earlier. The particular reference month should be determined by the parties involved, bearing in mind the need to respect the methodology requirements as regards adequate time to complete survey preparations; (ii) the data collection should be based on a sufficient number of employers for at least 20 employers to be retained for analysis; (iii) survey teams should endeavour to collect data on average salary from employer comparators, as required by the methodology. If, however, it was confirmed that such data were not available, the secretariat should present its recommendations on the treatment of data to ICSC for decision at the 41st session; (iv) the language factor and the need for any transitional measures in that regard should be addressed at the time of review of the survey results. ICSC also decided to urge the staff representatives of the Rome-based organizations to participate fully in the salary survey process *[ICSC/40/R.15, paras. 87-89]*; (b) **New York** *(ICSC/40/R.9)*: ICSC noted that the reference date for the survey, which had originally **1994** been scheduled for autumn 1994, might need to be adjusted in view of the decision to postpone the Rome survey. ICSC did not object to a reference date of January 1995, provided that it would allow the survey to be completed in time for the survey results to be presented to the 41st session. The other issues raised during the discussion would be better addressed within the LSSC. ICSC decided: (i) that the surveys for the GS category, the Security Service and the Trades and Crafts category in New York should be undertaken by the ICSC secretariat; (ii) that the surveys for Language Teachers and Public Information Assistants should be delegated to the UN, with full participation of the ICSC secretariat; (iii) that every effort should be made to select employers from the New York labour market; (iv) to reiterate its request to its secretariat to provide adequate training to the parties involved; (v) to note the planned survey reference date of January 1995 *[ICSC/40/R.15, paras. 105106]*.

ICSC decided to review the results of the surveys for Rome and New York at its 41st session.

1995 **41st session (May):** ICSC considered the results of the salary surveys for two HQ duty stations:

(a) **Rome** *(ICSC/41/R.10 and Add.1)*: Details regarding the survey and the recommendations concerning the salary scale and other conditions of employment to the executive heads of the Rome-based organizations are in document ICSC/41/R.20 *[ICSC/41/R.19, para. 327; recommended salary scale appears in annex IX]*.
(b) **New York** (i) General Service *(ICSC/41/R.11)*: Details of the survey and the recommendations concerning the salary scale and other conditions of employment to the UN/SG are in document ICSC/41/R.21 *[ICSC/41/R.19, para. 328; recommended salary scale appears in annex X]*. (ii) Trades and Crafts category *(ICSC/41/R.11/Add.1)*: ICSC was informed that, owing to difficulties encountered in obtaining data, insufficient information was available to allow a review of the survey data *[ICSC/41/R.19, para. 329]*. The UN representative, noting that his Organization was the primary employer for that category of staff, explained that only 3 of the 9 comparator employers on the list had been able to provide usable data. Although efforts were being undertaken to increase the response rate of employers and possibly expand the original employer list, he expressed doubts as to the relevance of the present arrangements for establishing comparable remuneration levels. He requested that, pending further efforts to expand the database, the review of the survey results be deferred to the 42nd session *[ICSC/41/R.19, paras. 330-331]*. ICSC took note of the difficulty in obtaining relevant data for the category of staff and considered whether the requirement for geographical location should be

broadened, so as to permit the inclusion of more comparator employers. Notwithstanding the difficulties encountered in identifying suitable comparators in the New York labour market, ICSC considered that further efforts should be made to expand the number of employers for the occupation in the New York area. ICSC decided to defer consideration of the survey results until its 42nd session *[ICSC/41/R.19, paras. 332-334]*. (iii) Security Service *(ICSC/41/R.11/Add.2)*: ICSC decided to defer consideration of the matter to its 42nd session *[ICSC/41/R.19, para. 337]*. (iv) Language Teachers *(ICSC/41/R.11/Add.3)*: Details regarding the survey and the recommendations concerning the salary scale and other conditions of employment, as appropriate, to the UN/SG are in document ICSC/41/R.21 *[ICSC/41/R.19, para. 338; recommended salary scale is in annex XI]*. (v) Public Information Assistants *(ICSC/41/R.11/Add.4)*: Details regarding the survey and the recommendations concerning the salary scale and other conditions of employment, as appropriate, to the UN/SG are to be found in document ICSC/41/R.21 *[ICSC/41/R.19, para. 339; recommended salary scale is in annex XII]*.

(c) ICSC had before it details of the preparatory work for the survey of best-prevailing conditions of employment at **Geneva** *(ICSC/41/R.12 (Parts I and II)*. It was informed that the representatives of the staff unions and associations of the Geneva-based organizations had decided not to participate in the survey. Subsequently, the administrations of the Geneva-based organizations had requested that ICSC consider how best to address the situation before proceeding with survey preparations. ICSC was also informed that the preparatory phase had now been completed, although arrangements had been difficult to finalize. The data collection phase of the survey, scheduled by ICSC in 1992 for the spring of 1995, was now scheduled for June 1995. ICSC noted at the outset that in resolution 49/223, the GA had requested it to proceed with the current round of surveys at HQ duty stations as planned and had urged all parties concerned to participate in the process.

There would have to be very solid technical reasons for deviating from such unambiguous instructions. ICSC wished also to be satisfied that there was no legal impediment to proceeding with the survey. On those points, ICSC was informed by the secretariat that there was no technical reason why the survey should be deferred: the ILO Administrative Tribunal judgements 1265 and 1266 (cited by CCISUA, as a technical justification for delaying the survey, also brought to ICSC's attention earlier) related to the previous salary survey. As to the legal situation, an opinion sought earlier from the UN Legal Counsel in connection with a survey for another location had held that there was no legal bar to proceeding with the survey in the absence of staff participation, provided that all steps of the methodology regarding consultations with all concerned had been properly applied *[ICSC/41/R.19, para. 345]*. ICSC concluded that there was no technical or legal reason to postpone the survey which, on the basis of consistency and equity, should proceed. At the same time, ICSC keenly regretted that a key player had chosen to be absent from the process and requested the Chairman, on its behalf, to appeal once more to staff to reconsider their position *[ICSC/41/R.19, paras. 347]*. ICSC reviewed the modalities for the survey on the basis of the report of the LSSC which made recommendations with regard to the selection of employers and jobs, the questionnaire, taxation, longevity steps and the issue of the difference in remuneration based on gender. On the latter issue, ICSC recalled a special study commissioned at the time of the 1990/91 survey *(ICSC/33/R.16)* had concluded that while there was a difference in remuneration between men and women in the Geneva labour market in general, no such difference appeared to exist in the surveyed employers. Noting, moreover, that discrimination in remuneration between men and women was legally prohibited, ICSC had concluded at that time that no adjustment need be made to the salary survey results to account for the discrimination factor. ICSC noted the revised salary survey methodology *(ICSC/37/R.18/Add.1, para. 73)* provided that the determination as to whether discriminatory practices existed among outside employers could be dealt with, exceptionally, should the conditions of the duty station so justify. It also noted a statement by the ILO representative that there was a likelihood of persistent, albeit not overt, discrimination in the Geneva labour market; moreover, there remained some concern in ILO about the conclusions of the

1990 study. ICSC observed that, on average, men tended to earn more than women in most countries of the world; however, much of the difference resulted from the fact that men had greater access to higher-paying jobs. Members also noted that the consultant's earlier study of gender pay difference among a group of Geneva employers had concluded that the differences could be attributed to differences in education and experience. Moreover, since gender discrimination was now illegal in Geneva it was not likely that the situation had grown worse; indeed, it might have improved since the last review. ICSC concluded that there was no reason to set Geneva apart from other HQ (or indeed non-HQ) duty stations in that regard. Any study undertaken would need to examine the underlying reasons for gender-based pay disparities; ICSC would look into the matter in conjunction with its next review of the methodology, at which time it would decide how to address the issue *[ICSC/41/R.19, paras. 348-349]*. ICSC decided: (i) to confirm the survey reference date of June 1995; (ii) to recall that, at the request of the Geneva-based organizations, it had considered the issue of gender discrimination in the Geneva labour market and had determined, in the light of its consideration of the issue in 1991, that no exceptional measures were deemed necessary; (iii) to further review the question of gender discrimination and its relevance at duty stations in addition to Geneva, in the context of the next review of the GS HQ salary survey methodology; (iv) to note the inclusion of one employer on the main list of survey employers that did not appear to meet the criteria in the methodology; it agreed, however, to address the issue during its analysis of the survey data; and (v) to note the decisions taken by the Chairman under his delegated authority regarding the selection of employers and jobs, the survey job descriptions, the questionnaire to be used and other survey modalities *[ICSC/41/R.19, para. 351]*.

(d) ICSC examined a request by ICAO to review further 3 issues related to the 1993 **Montreal** survey *(ICSC/41/R.13 and ICSC/41/CRP. 7)*: (i) the manner in which taxes were applied to determine dependency allowances; (ii) application of the dual-payline methodology, and (iii) pension benefit levels of ICAO GS staff *vis-à-vis* staff of surveyed employers. In responding to issues raised by the ICAO administration, the ICSC secretariat *(ICSC/41/R.13/Add.1)* considered that the minor correction proposed to the levels of dependency allowances would be appropriate. With regard to the application of the dualpayline methodology, it was suggested that the issue could appropriately be considered at the time the ICSC next review the HQ survey methodology *[ICSC/41/R.19, paras. 352-353]*. The representative of the ICAO administration explained the ICAO proposal GS staff in Montreal participate in the Quebec Pension Plan or, alternatively, that an additional pensionable component be used in calculating their PR. ICAO considered the proposals to be essential to meet the requirements of the Flemming principle and to permit the recruitment of qualified staff *[ICSC/41/R.19, para. 354]*. With regard to dependency allowances, ICSC noted that detailed information regarding tax procedures had been available to the representatives of the ICAO administration when the survey was considered by ICSC at its February/March 1994 session; it would have preferred that information to be brought to its attention at that time. It nevertheless agreed that the adjustment was justified and should be made. Although ICSC found the actuarial study of the ICAO administration of interest, it noted that its narrow focus did not represent a full actuarial evaluation based on an agreed methodology which would support all the pension benefit conclusions of the ICAO administration. With regard to the possibility of joining the Quebec pension scheme, ICSC noted that the ICAO administration proposal was to retain the benefits of the UNJSPF while acquiring those of the Quebec scheme. It considered that the universal nature of the UNJSPF could not be maintained if exceptions were permitted on a duty-station by duty-station basis. ICSC recalled that it had reviewed the issue of local pension benefits in 1992 and, on the basis of an actuarial study of local pension benefits at a number of duty stations had reported to the GA that the approach should not be further pursued. Since the issue had already been decided at a common system level, ICSC did not wish to encourage the ICAO administration to undertake further studies. It was also observed that application of the Flemming principle in setting best-prevailing conditions of service at each duty station did not require that each and every benefit condition be matched but rather that the overall compensation package of the

common system should be among the best in the locale. ICSC was satisfied on these grounds that the Flemming principle was being fulfilled at Montreal *[ICSC/41/R.19, paras. 355-358]*. ICSC decided: (a) To recommend the following revised annual amounts of dependency allowances, with effective dates as proposed by the ICAO administration, for the GS category at Montreal: dependent spouse: $ Can. 1 971; secondary dependant: $ Can. 1 242; first dependent child of a single parent: $ Can. 1 925; (b) To review the issue of the application of the dual-payline methodology at the time of its next review of the HQ survey methodology; (c) To reaffirm its 1992 decision to continue a universal approach to the determination of GS/PR; hence it would not pursue any approach that would establish local pension benefits on the basis of local practice *[ICSC/41/R.19, para. 359]*.

42nd session (July/August): ICSC completed the survey of best prevailing conditions of employment for the **Trades and Crafts and Security Service categories in New York**. Details regarding the survey and the recommendations of the SG are found in document ICSC/42/R.20 *[ICSC/42/R.19, paras. 48-49 and annexes III and IV]*. Details regarding ICSC's survey of best prevailing conditions of employment for the **GS category and the language teaching staff at Geneva** are found in ICSC/41/R.21 *[ICSC/42/R.19, paras. 50-51 and annexes V and VI]*.

In its annual report, ICSC provided the following information to the GA.

New York: The surveys resulted in a 1.13 per cent increase for the GS and Public Information Assistant categories and a 0.15 per cent increase for Language Teachers. With regard to the Trades and Crafts category, the 2.45 per cent interim adjustment due on 1 September 1994 had been withheld. Since the salaries resulting from the survey were 1.4 per cent higher than the pre-September 1994 salaries, the net result of the survey was a salary scale approximately 1.0 per cent lower than the scale which would have been in place had the survey not taken place. As a result of this some reduction in expenditures might be expected in the future. The interim adjustment to salaries of 2.45 per cent effective 1 September 1994 had also been withheld for the Security Service category pending the outcome of the survey. The salaries resulting from the survey were 4.3 per cent lower than the pre-September 1994 salaries. The net result of the survey was, therefore, a salary scale was 4.3 per cent lower than the existing scale. As a result, some reduction in expenditures might be expected in the future. The annual financial implications of the ICSC recommendations were estimated at $4.5 million. Savings resulting from reduced expenditures from the salary scales for the Trades and Crafts and Security Service categories were not included in this figure *[A/50/30, paras. 337-339 and annex XVI]*.

Geneva: In spite of the refusal of the staff representatives to participate in the survey, ICSC had proceeded with the survey with full participation of the representatives of the executive heads and the Chairman had written to the selected employers from the Geneva labour market to participate in the survey. ICSC was concerned to find out that the representatives of staff in their letter dated 2 June 1995 urged those employers to refrain from participating in the survey. They also threatened employers that the staff intended to appeal the results of the survey, should these turn out to be unfavourable, and that in such an appeal any anomalous situations would be made public, thus breaching the confidentiality of the data provided by the participating employers. ICSC considered that this was in direct contravention of the Chairman's promise to employers to respect the confidentiality of the data provided and the decision of the executive heads of the Geneva-based organizations to participate in the survey. The action by the staff was tantamount to hindering the work of ICSC mandated under its statute and was a serious breach of the code of conduct of international civil servants. The salary scale recommended by ICSC for GS staff was 7.4 per cent below the current scale and for language teachers 1.3 per cent below the current scale. A precise determination of future reductions in expenditure would depend on the procedure used for implementation of the

recommended scales, as well as their effective dates *[A/50/30, paras. 340-342 and annexes XVII A and B]*.

Rome: The financial implications of ICSC's decision regarding the phased elimination of the language factor were estimated at $3.94 million up to November 1996 (at the exchange rate of 1,560 lire to the US dollar in effect on 1 November 1994). With the complete phasing out of the adjustment for the language factor as of 1 November 1996, savings amounting to approximately $3.3 million per annum would be realized *[A/50/30, para. 345 and annex XVIII]*.

ICSC reviewed the status of the preparatory arrangements for the survey of best prevailing conditions of employment in **London** *(ICSC/41/R.18)*.. The issue had been reviewed by a panel consisting of 3 ICSC members. ICSC noted and endorsed the recommendations of the panel. It further noted with regret that staff had decided not to take part in the survey process and agreed to request its Chairman to urge staff to reconsider their position. It decided: (a) to note the Chairman's intention to approve the list of employers, jobs to be surveyed, survey job descriptions and the questionnaire; and (b) to request the Chairman to urge staff representatives of the London-based organizations to reconsider their position and to participate in the survey process *[ICSC/42/R.19, paras. 56-57]*.

In **resolution 50/208**, the GA noted the results of the salary surveys in New York, Geneva and Rome as reported in the ICSC report.

1996 **43rd session (April/May):** ICSC considered the results of a survey of best prevailing conditions of service for the GS and related categories in **London** *(ICSC/43/R.12)*. It recommended a salary scale that was 5.3 per cent lower than the existing scale. Interim adjustment attributable to inflation and salary movements of comparator employers would therefore not be granted until the recommended scale as adjusted overtook the existing **1996** scale. As a result of maintaining the current scale, combined savings of approximately US $360,000 per annum would be realized by the London-based organizations (estimate calculated at exchange rate in effect on 1 October 1995) *[A/51/30, para. 212 and annex XI]*.

ICSC reviewed the report on the preparations for the survey of best prevailing conditions of services for staff in the GS and related categories at **Vienna** *(ICSC/43/R.13)*.

ICSC further considered the **interim adjustment procedure for GS salaries in Geneva.** At the 42nd session, it had decided, *inter alia*, to recommend an interim adjustment procedure based on the cost-of-labour and the cost-of-living indices. The first interim adjustment based on that decision would be triggered on 1 June 1996, and the Geneva-based organizations had raised the issue of the modalities for implementing the procedure, noting that since October 1994, the cost-of-labour index had been calculated only on a national basis; no index had been available for Geneva and other Swiss cantons. Use of the Swiss index would not, in their view, be in compliance with the methodology *[ICSC/43/R.16, paras. 179-180]*.

ICSC decided: (a) to delegate to its Chairman, in consultation with the lead agency of the 1995 Geneva GS salary survey (i.e. the UN), the selection of the index(es) to be used in the context of the Geneva GS interim adjustment procedure in 1996 and subsequent years; (b) to maintain the current 0.9 per cent index adjustment factor through the current round of HQ surveys and review the application of the factor in the context of the review of the HQ methodology in 1997; (c) to request the Chairman to report to ICSC at its 44th session on the results of his consultations and the related decisions with regard to the index to be used in the Geneva GS interim adjustment procedure *[ICSC/43/R.16, para. 187]*.

44th session (July/August): ICSC reviewed the results of the survey of best prevailing conditions of service for the GS and related categories at **Vienna** *(ICSC/44/R.8)*. The language factor was addressed and ICSC decided that it should be phased out. The recommended salary scale for the GS staff was lower than the current scale by 3.2 per cent. Since the new scale would be phased in over the next few years, savings would not be realized immediately except for those corresponding to the interim adjustment of 2.47 per cent which became due on 1 April 1996 and was not granted. Associated savings were estimated at US$2.5 million for 1996 *[A/51/30, paras. 214-217 and annex XII]*. Other details regarding the survey and other conditions of employment are in document ICSC/44/R.13.

44th session (July/August): The Chairman reported to ICSC that in view of the difficulties cited by the organizations in obtaining data on cost-of-labour indices for **Geneva**, he had decided to revert to the interim adjustment procedure applied in the past, i.e. to use the Geneva cost-of-living index only *[ICSC/44/R.12, para. 11]*.

The GA, in **resolution 51/216**, requested ICSC to defer a final decision on the GS salary setting methodology pending the review of the application of the Flemming principle by the GA at its 52nd session and to adjust its programme of HQ salary surveys as appropriate.

1997 **45th session (April/May):** ICSC approved the timetable for the fifth round of salary surveys as follows:

Duty Station	Last survey date	Pre-survey consultation	Pre-survey document to Chairman	Survey date	Survey to Commission
Paris	April 1993	Autumn 1998	Spring 1999 (49th)	April/May 1999	Summer 1999 (50th)
Montreal	October 1993	Spring 1999	Summer 1990 (50th)	October/November 1999	Spring 2000 (51st)
New York	January 1995	Autumn 1999	Spring 2000 (51st)	April/May 2000	Summer 2000 (52nd)
Rome	November 1994	Spring 2000	Summer 2000 (52nd)	October/November 2000	Spring 2001 (53rd)
Geneva	June 1995	Autumn 2000	Spring 2001 (54th)	April/May 2001*	Summer 2001 (54th)
London	October 1995	Spring 2001	Summer 2001 (54th)	October/November 2001	Spring 2002 (55th)
Vienna	April 1996	Autumn 2001	Spring 2002 (55th)	April/May 2002	Summer 2002 (56th)

* Survey reference: 1 January 2001

[ICSC/45/R.13, para. 164 and annex VII].

1999 **50th session (July):** ICSC conducted a survey of best prevailing conditions of service for the GS and other locally recruited categories of staff at **Paris** with a reference date of April 1999. The salary scale for the GS of the common system organizations at Paris, recommended by ICSC to the UNESCO/DG, is reproduced in annex VI to the annual report A/54/30. ICSC also recommended revised amounts of spouse and children's allowances determined on the basis of tax abatement, social benefit provided by the French Government and additional amounts paid by outside employers. Under the methodology, gross salary data collected from the retained employers were netted down by the application of

national and local taxes, as appropriate. ICSC noted that, effective 1 January 1998, some changes had been introduced into the French tax laws. If the outside net salaries resulting from the application of the revised French taxation system had been taken into account, this would have had the effect of reducing salaries of UNESCO staff by approximately 5 per cent. In view of the circumstances, ICSC considered it appropriate to take exceptional measures to ensure that the adverse impact of the above-mentioned changes on the salaries of UNESCO staff should be phased in over a period of time. Therefore, on an exceptional basis, ICSC increased the outside net salaries by 5 per cent and used the resulting amounts for the determination of the salary scale for UNESCO staff. ICSC recommended to the UNESCO/DG that following the implementation of the revised salary scale a 1-percentage-point reduction should be made from future interim adjustments so as to ensure that the 5-percentage-point adjustment mentioned above would be eliminated before the next salary survey in Paris. ICSC also considered at the request of the GA (resolution 51/216) the question of overlap in remuneration between the GS and P categories of staff. It was of the view that that overlap was not a cause for concern. The salary scale for UNESCO staff shown in annex VI to document A/54/30 was 1.44 per cent lower than the current scale. Without the adjustment to phase in the effects of changes in the French taxation system, the survey salary scale would have been approximately 6.5 per cent lower than the current scale. The financial implications of the decision of ICSC regarding the phased elimination of the impact of changes in the taxation system were estimated at $1.7 million. With the complete phasing out of the ad hoc adjustment to the salary scale, savings amounting to approximately $2.2 million per annum would be realized *[A/54/30, paras.111-118]*.

In **resolution 54/238**, the GA took note of the results of the ICSC salary survey in Paris.

2000 **51st session (April):** ICSC considered the results of a survey of best prevailing conditions of service for the GS and related categories in Montreal [*ICSC/51/R.*12]. It recommended a salary scale that was on average 5.3 per cent higher than the existing scales. In addition to recommending a new salary scale, the Commission also recommended revised rates for dependency allowances. The total estimated cost of the Commission's recommendations was US $451,000 per year (estimate calculated at exchange rate in effect on 1 April 2000).

The GA, in **resolution 55/223,** noted the results of the salary survey conducted in Montreal.

52nd session (July/August): ICSC completed the surveys of best prevailing conditions of service of employment for the General Service, Public Information and Security Service categories in New York. Details regarding the surveys and the recommendations to the SG are found in ICSC/52/R.17.

In its annual report, ICSC provided the following information to the GA.

The surveys resulted in a 2.92 per cent increase for the GS and Public Information Assistant categories and a 7.66 per cent increase for the Security Service category. The annual financial implications of the recommendations of ICSC regarding the salary scales for the three categories of staff were estimated at US $7,000,000, taking into account the increase in the level of dependency allowances for all locally recruited staff in New York *[A/55/30 paras. 164 and 165]*.

With regard to the Trades and Crafts category, ICSC noted that, at the time of its 52nd session, only four comparator employers had provided usable data, as compared to 11 in the 1995 survey. ICSC therefore concluded that a valid salary comparison for the Trades and Crafts category was not possible based on the data available and instructed its secretariat to continue the data collection until such time as a reasonable number of employers had been surveyed and sufficient data had been obtained to

permit meaningful data analysis. ICSC also delegated the authority to approve the survey results to its Chairman *[A/55/30, para.164]*.

Regarding the Language Teachers category, ICSC expressed concern with regard to the comparability of job functions, curricula and related points of comparison between the comparator institutions used in the survey and the United Nations. ICSC therefore requested further details on the points of comparison for those employers already surveyed. Furthermore, it suggested that some other comparators whose employees performed functions comparable to those of the United Nations language teachers should be included in the survey. ICSC requested the United Nations Administration to continue the data collection and to present the information together with the survey results at its next session *[A/55/30, para.164]*.

The GA, in its **resolution 55/223,** noted the results of the salary surveys conducted in New York.

2001 **53rd session (June):** ICSC considered the results of a survey of best prevailing conditions of service for the GS and related categories in Rome [*ICSC/53/R.15*]. It recommended a salary scale that was on average 4.25 per cent higher than the existing scale. In addition to recommending a new salary scale, the Commission also recommended revised rates for dependency allowances. The total estimated cost of the Commission's recommendations was US $1,900,000 per year (estimate calculated at exchange rate in effect on 1 June 2001).

ICSC also completed the survey of best prevailing conditions of service of employment for the Language Teachers in New York. Under the authority delegated to him by the Commission, the Chairman approved the results of the survey for staff in the Trades and Crafts category. Details regarding the surveys and the recommendations to the SG are found in ICSC/52/R.17.

In its annual report, ICSC provided the following information to the General Assembly: the survey resulted in a 5.8 per cent increase for the Language Teachers and a 3.78 per cent increase for the Trades and Crafts category. The annual financial implications of the recommendations of ICSC regarding the salary scales for these categories of staff were estimated at US $400,000 *[A/56/30 paras. 127 and 128]*.

2002 **54th session (April/May):** On the basis of the revised methodology, ICSC conducted surveys of best prevailing conditions of employment in London. Its consideration of the matter was based on document *ICSC/54/R.7.* ICSC recommended a new salary scale to the Secretary General of the International Maritime Organization *(ICSC/54/R.13; annex VI to A/57/30).* ICSC recommended also revised amounts of dependency allowances for the General Service and other locally recruited categories of the organizations of the common system in London *(A/57/30 para.184).*

55th session (July/August): On the basis of the revised methodology, ICSC conducted a survey of the best prevailing conditions of service for the General Service and other locally recruited staff in Vienna and Geneva. Based on the results of the surveys, the Commission recommended new salary scales in Vienna *(A/57/30 annex VII)* and Geneva *(A/57/30 annex VIII)* as well as revised amounts of dependency allowances for the General Service and other locally recruited categories of the organizations of the common system in both duty stations. ICSC also recommended a new salary scale for the Language Teachers category at Geneva *(A/57/30 annex IX).*

In its **resolution 57/285**, the General Assembly took note of the results of the surveys conducted by ICSC.

2003 **57th Session (July):** ICSC approved the timetable for the sixth round of salary surveys as follows:

Duty Station	Last survey date	Pre-survey consultations	Pre-survey document to Chairman	Survey date	Survey to Commission
Montreal	November 1999	Spring 2004	Autumn 2004	October/November 2004	Spring 2005
Paris	April 1999	Autumn 2004	Spring 2005	April/May 2005	Summer 2005
New York	May 2000	Spring 2005	Autumn 2005	October/November 2005	Spring 2006
Rome	October 2000	Autumn 2005	Spring 2006	April/May 2006	Summer 2006
London	October 2001	Spring 2006	Autumn 2006	October/November 2006	Spring 2007
Geneva	January 2002	Autumn 2006	Spring 2007	April/May 2007	Summer 2007
Vienna	April 2002	Spring 2007	Autumn 2007	October/November 2007	Spring 2008

2004 **59th Session (July):** On the basis of the revised methodology, ICSC conducted surveys of best prevailing conditions of employment in Madrid. Its consideration of the matter was based on document *ICSC/59/R.12*. ICSC recommended a new salary scale to the Secretary General of the World Tourism Organization [*A/59/30 Vol. I, annex VII*]. The survey resulted in an 11.59 per cent increase in salaries as well as revised amounts of dependency allowances for General Service and other locally recruited categories of staff of the common system in Madrid [*A/59/30, Vol. I, paras. 284-285*].

2005 **60th Session (February/March):** On the basis of the revised methodology, ICSC conducted surveys of best prevailing conditions of employment in Paris. Its consideration of the matter was based on document ICSC/60/R.9. ICSC recommended a new salary scale to the Director General of the United Nations Educational Scientific and Cultural Organization. [*A/60/30, annex IX*].

The survey resulted in a 1.19 per cent increase in salaries as well as revised amounts of dependency allowances for the General Service and other locally recruited categories of staff of the common system in Paris [*A/60/30, para.256*].

61st Session (July): On the basis of the revised methodology, ICSC conducted surveys of best prevailing conditions of employment in Montreal. Its consideration of the matter was based on document ICSC/61/R8. ICSC recommended a new salary scale to the Secretary General of the International Civil Aviation Organization. [*A/60/30, annex X*].

The survey resulted in an 8.79 per cent increase in salaries as well as revised amounts of dependency allowances for the General Service and other locally recruited categories of staff of the common system in Montreal [*A/60/30, para.259*].

2006 **62nd Session (March):** On the basis of the revised methodology, ICSC conducted surveys of best prevailing conditions of employment in Rome. Its consideration of the matter was based on document *ICSC/62/R6*. ICSC recommended a new salary scale to the Director General of the Food and Agriculture Organization [*A/61/30, annex VI*]. The survey resulted in a 12.16 per cent increase in

salaries as well as revised amounts of dependency allowances for the General Service and other locally recruited categories of staff of the common system in Rome [*A/61/30, paras.159-160*].

On the basis of the revised methodology, ICSC also conducted surveys of best prevailing conditions of employment in New York with respect to all locally recruited staff. Three separate surveys were conducted. During the sixty-second session, the Commission only considered the results of the Security Service category because at the time of the session, sufficient comparators were not found for the other two categories.

Consideration of the results of the Security Service category was based on document ICSC/62/R.7. ICSC recommended a new salary scale for the staff of the Security Service to the Secretary-General of the United Nations [*A/61/30, annex VII B*]. The new scale was 3.87 per cent higher than the prior scale.

63rd Session (July): Its consideration of the results of the salary survey for the other remaining locally recruited categories (other than the Security Service considered at the 62nd session) was based on document *ICSC/63/R14*. ICSC recommended new salary scales for the staff of the General Service, Trades and Crafts, Language Teachers and Public Information Assistants categories to the Secretary General of the United Nations [*A/61/30, annex VII A, C, D and E, respectively*]. The survey resulted in a 1.74 per cent increase in salaries for staff in the General Service, Trades and Crafts, Language Teachers and Public Information Assistants categories.

In addition to the new salary scale, the Commission also recommended revised rates of dependency allowances for all locally recruited categories in New York. As the recommended levels of these allowances were lower than the rates at the time, the revised rates would be applicable only to staff newly eligible after the promulgation of the rates [*A/61/30, para.165*].

2007 **64th Session (March):** On the basis of the revised methodology, ICSC conducted surveys of best prevailing conditions of employment in London with respect to all locally recruited staff. Its consideration of the matter was based on document ICSC/64/R.8. The survey panel, having reviewed the document concluded that the survey exercise, including the analysis of the data collected to date, had been conducted in accordance with the survey methodology. The panel furthermore noted the difficulties encountered in completing the survey, particularly with respect to employer participation. In view of the fact that the survey was not complete, the panel agreed that an extension would be sought from the Commission. The panel also suggested that the use of data from external sources be explored as an alternative to the conventional data-collection method. While the panel preferred that the current round of surveys should, for the sake of consistency of the approach to data collection, be completed primarily on the basis of on-site interviews, the use of data from external sources should not be ruled out if the current procedure proved to be no longer sustainable. It was agreed that, in any event, the use of data from external sources as applied under the Flemming principle should be considered in detail within the framework of the review of the General Service salary survey methodology.

The Commission decided: (a) to agree to an extension for the completion of the London survey until the sixty-fifth session;(b) to request the secretariat to submit a proposal for the use of data from external sources in the event that conventional methods of data collection did not permit the completion of the London survey by the sixty-fifth session;(c)to endorse the proposal that the secretariat obtain data from external sources and compare it to data obtained by the conventional method in the London, Geneva and Vienna salary surveys;(d) to request the secretariat to incorporate the results of the comparison study into deliberations on the review of the survey methodology in 2008.

2<u>65th session (July):</u> On the basis of the revised methodology, ICSC conducted surveys of best prevailing conditions of employment in London. Its consideration of the matter was based on document ICSC/65/R10. ICSC recommended to the executive heads of the organizations based in London, for implementation as of the date of its promulgation, a revised salary scale that was 1.24 per cent higher than the existing scale. However, an interim adjustment of the General Service scale of 3 per cent which would have been due in October 2006 was suspended pending the completion of the survey. As the increase resulting from the salary survey was less than the interim adjustment, only the amount resulting from the salary survey, 1.24 was applied to the existing scale with no further adjustment as of the month of the survey [A/62/30, annex VI]. In addition to the new salary scale, the Commission also recommended revised rates of dependency allowances, determined on the basis of tax abatements, legislative payments and the surveyed employer-specific payments [ICSC/65/R.10, para.52].

<u>65th session (July):</u> On the basis of the revised methodology, ICSC conducted surveys of best prevailing conditions of employment in Geneva. Its consideration of the matter was based on document ICSC/65/R11. ICSC recommended to the executive heads of the organizations based in Geneva, for implementation as of the date of its promulgation, a revised salary scale that was 1.81 per cent lower than the existing scale [A/63/30, annex V]. In addition to the new salary scale, the Commission also recommended revised rates of dependency allowances, as of the date of their promulgation, for all locally recruited categories in Geneva (ICSC/65/R.17, para.79).

2008 **<u>66th Session (March):</u>** On the basis of the revised methodology, ICSC also conducted surveys of best prevailing conditions of employment in Vienna with respect to all locally recruited staff. Its consideration of the matter was based on document ICSC/66/R.14. ICSC recommended a new salary scale to the executive heads of the Vienna based organizations, as of the date of its promulgation [A/63/30 annex VI]. The recommended salary scale for the GS staff was lower than the current scale by 1.51 per cent. The survey also resulted in revised amounts of dependency allowances for General Service and other locally recruited categories of staff of the common system in Vienna (ICSC/66/R14, annex IV).

2012 **<u>75th Session (July):</u>** On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at headquarters and similar duty stations (Survey Methodology I), ICSC conducted a survey in Rome, with a reference date of April 2012. The Commission considered the matter based on documents ICSC/75/R.12, CPR.5, CPR.7 and CPR.8. The Commission recommended to the executive heads of the Rome-based organizations the new salary scale for the General Service category that is 9.20 per cent lower than the current scale. As a result, the interim adjustment of 1.9 per cent due in November 2011, which, in accordance with the methodology, was suspended pending the completion of the survey, was not be granted.

The Rome-based organizations had also provided a pensionable service differential to staff who were regularly required to work beyond the regular established hours in the duty station. Since 2010, upon a decision of the Pension Fund that the practice was in violation of article 54 (a) of the Fund's regulations, they had ceased the practice of treating the differential as a pensionable element of remuneration. The present survey showed that the local practice among the surveyed employers was to compensate for the hours worked beyond the normal established work hours primarily through overtime payments, although some employers provided a combination of compensatory time off and overtime payments. In addition, since the Rome-based organizations had ceased the practice of treating the service differential as a pensionable element, a situation had arisen where staff in receipt of a service differential were compensated for the extra hours worked on a basis of the normal hourly rate of pay (which was no longer pensionable), while other staff members in receipt of overtime were compensated at a higher hourly rate of pay. The Commission **agreed,** under the circumstances, **to recommend discontinuance of the service differential modality** and to align the compensation for

hours worked in excess of the normally scheduled hours with existing overtime regulations in the Rome-based organizations.

2013 **76th Session (February/March):** On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at headquarters and similar duty stations (Survey Methodology I), ICSC conducted a survey in Paris, with a reference date of September 2012. The Commission considered the matter based on documents ICSC/76/R.7 and CRP.7. The Commission recommended to the executive heads of the Paris-based organizations the new salary scale for the General Service category that is 2.19 per cent lower than the current Paris salary scale. The recommended salary scale is expected to be implemented only with respect to staff recruited on or after the date of promulgation by the Paris-based organizations. The financial implications of implementing the proposed dependency allowances are estimated at approximately $70,000 per annum.

77th Session (July/August): On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at headquarters and similar duty stations (Survey Methodology I), ICSC conducted a survey in Montreal, with a reference date of one April 2013. The Commission considered the matter based on documents ICSC/77/R.11 and CRP.5. The Commission recommended to the executive heads of the Montreal-based organizations the revised net salary scale which is 1.22 per cent higher than the existing scale and the revised levels of dependency allowances. The total annual financial implications of implementing the recommended salary scale and the revised dependency allowances were estimated at approximately $334,000.

2014 **78th Session (March):** On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at headquarters and similar duty stations (Survey Methodology I), ICSC conducted a survey in Madrid (Spain), with a reference date of October 2013. The Commission considered the matter based on documents ICSC/78/R.8 and CRP.8. The Commission recommended to the executive heads of the Madrid-based organizations the revised net salary scale which is 2.9 per cent higher than the existing scale. The total annual financial implications of implementing the recommended salary scale were estimated at approximately $110,000. In view of the General Assembly's request in resolution 68/253, the Commission did not recommend any adjustments to the levels of dependency and other allowances and decided to draw this decision to the attention of the agencies responsible for the conduct, implementation and promulgation of surveys of best prevailing conditions of employment of staff in the General Service category at other locations of the United Nations common system with a view to ensuring a consistent system-wide approach to the adjustment of allowances.

2015 **80th Session (March):** As a result of the entry of the International Seabed Authority, headquartered in Kingston, into the United Nations common system, the Commission, under article 12 (1) of its statute, should establish the relevant facts for, and make recommendations as to, the salary scales of staff in the General Service and other locally recruited categories. The Commission conducted a survey of best prevailing conditions in Kingston on the basis of survey methodology II, with a reference date of September 2014.

The recommended salary scale for staff in the General Service and related categories was 5.1 per cent higher than the current scale. A non-pensionable component of 3.7 per cent would also be established on the basis of the findings of the survey. The highest point of the proposed scale, GS-7/X, is J$ 3,556,372, or $31,531 at the September 2014 exchange rate. As at 1 September 2014, that amount was lower than the net remuneration (net base salary plus post adjustment) for the P-1/I level at the single rate and approximately that of the NO-A/III level. The total annual financial implications of

implementing the recommended salary scale are estimated at $66,992 at the September 2014 exchange rate.

The recommended salary scale for National Professional Officers is 9.5 per cent higher than the current scale. The total annual financial implications of implementing the recommended salary scale are estimated at $76,424 at the September 2014 exchange rate.

In view of resolution 68/253, in which the General Assembly had requested the Commission not to increase any of the allowances under its purview until the comprehensive review of the common system compensation package had been submitted to the Assembly for its consideration, the Commission did not recommend any adjustment to the dependency allowances, pending the decision of the Assembly.

81st Session (July): On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at headquarters and similar duty stations (survey methodology I), the Commission conducted a survey in New York, with a reference date of November 2014. There are five categories of locally recruited staff in New York: General Service, Security Service, Trades and Crafts, Language Teachers and Public Information Assistants. In accordance with an earlier decision of the Commission, salary levels for four of the categories should be adjusted in accordance with the same percentage as that agreed for the General Service category.

The recommended salary scales for all five categories of locally recruited staff in New York are 5.8 per cent lower than the current scales. The notional annual savings as a result of implementing the salary scales are estimated at $12.13 million. Since the recommended salary scales are expected to be implemented only with regard to staff recruited on or after the date of promulgation by the New York-based organizations, there are no immediate savings associated with this recommendation.

In view of resolution 68/253, in which the General Assembly had requested the Commission not to increase any of the allowances until the comprehensive review of the common system compensation package had been submitted to the Assembly for its consideration, the Commission decided to recommend that dependency allowances for staff in the General Service and related categories of the common system organizations in New York be maintained at their current levels.

On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at headquarters and similar duty stations (survey methodology I), the Commission conducted a survey in London, with a reference date of May 2015. The recommended scale is 3.5 per cent higher than the current scale. The highest point of the scale, GS-7/XI, is £48,256, or $74,354 at the May 2015 exchange rate of £0.649 per $1. As at 1 May 2015, that amount approximated the net remuneration (net base salary plus post adjustment) for the P-1/III level at the single rate.

With regard to the dependency allowances, taking into account the request of the General Assembly in its resolution 68/253 not to increase any of the allowances until the comprehensive review of the common system compensation package had been submitted to the Assembly for its consideration, the Commission did not recommend any adjustment to the allowance for the first dependent child of staff in the General Service category in London. The Commission did, however, recommend that the allowance for each additional child after the first dependent child be revised from £952 to £614 on the basis of the data collected during the survey.

The total annual financial implications of implementing the recommended salary scale are estimated at $243,202, while notional annual savings as a result of implementing the revised allowance for each

additional child after the first dependent child are estimated at $12,499. Given that the recommended level of that allowance is expected to be implemented only with regard to staff recruited on or after the date of promulgation by the London-based organizations, the immediate savings associated with the Commission's recommendations would not be significant.

2016 82nd Session (March): On the basis of the methodology for surveys for best prevailing conditions of employment of the General Service and other locally recruited staff at headquarters and similar duty stations (Survey Methodology I), ICSC conducted a survey in Geneva, with reference date of September 2015. Based on the results of the survey, the Commission recommended to the executive heads of the Geneva-based organizations the revised salary scales which were 1.8 per cent lower than the scales in effect, resulting in notional annual savings estimated at $7.6 million. Given that the recommended salary scales were to be implemented only with regard to staff recruited on or after the date of promulgation by the Geneva-based organizations, there were no immediate savings associated with the recommendation (A/71/30, para 164). With regard to the dependency allowances, the General Assembly, by section III, paragraph 3, of its resolution 70/244, discontinued the freeze on allowances for staff in the General Service and related categories with effect from 1 January 2016. The Commission could not make recommendations on the level of allowances when conducting surveys with a reference date before that date, that is, those conducted in Madrid, London, New York and Geneva. The Commission agreed that the allowances for locations under methodology I that had been affected by the freeze (Madrid, London, New York and Geneva) should be reviewed by the Commission on an exceptional and one-time basis, before the next surveys of best prevailing conditions of service, with the resulting recommendations applied at the time of the next interim adjustment to the salary scales at those locations (ibid, para 165).

Following the decision of the General Assembly to lift the freeze in the increases of allowances for General Service and related categories as of 1 January 2016 (resolution 70/244, section.III, para 3), the Commission requested its secretariat to conduct an ad hoc one–time review of the levels of the dependency allowances in Madrid, London, New York and Geneva, which otherwise would not have been reviewed until the next round of surveys.

83rd Session (July): The Commission reviewed the revised levels of dependency allowances and recommended these to the organizations with effect from the next interim adjustment to the salary scales and in the case of London with retroactive implementation from May 2016, the date of the first interim adjustment after the date of the lifting of the freeze by the General Assembly for the General Service and related categories.

In its resolution **71/264** , the General Assembly requested the Commission during the next review of the General Service salary survey methodologies under the Flemming principle, to consider the possibility of further increases in the weight of the local national civil services among the retained employers, taking into account that the United Nations is a civil service organization, as well as past experiences of the Commission from the previous round of surveys (A/RES/71/264, section III.A)

2017 85th Session (July): On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at headquarters and similar duty stations (survey methodology I), ICSC conducted a survey in Vienna, with a reference date of April 2017. Based on the results of the survey, the Commission recommended to the executive heads of the Vienna-based organizations the revised salary scale, which was 3.3 per cent higher than the scale in effect. The level of dependency allowances was also revised. The total annual financial implications of implementing the recommended salary scale and the revised dependency allowances were estimated at €3.2 million (A/72/30, para 161).

SECTION 2.2.30
STAFF ASSESSMENT

1976 **3rd and 4th sessions**: ICSC devoted its main efforts to the completion of the review of the UN salary system as requested by the GA in resolutions 3357 (XXIX) (1974) and 3418 A (XXX) (1975). After reviewing various aspects of the GS category, ICSC recommended that, pending the results of its further study, the existing rates of staff assessment should continue, as a temporary measure, to apply to the GS category *[A/31/30, para. 84]*.

1977 **6th session (August/September):** CCAQ reported to ICSC that it had studied various possible changes in the staff assessment scale for the GS category. It had, however, come to no conclusion and suggested that the matter be further studied in the light of results of "current and projected surveys of GS salaries at the headquarters duty stations", pending which time the existing temporary arrangement should remain in force. In the absence of a recommendation from CCAQ on so complex a matter ICSC did not feel able to propose a course of action without first having heard the positions of executive heads and staff. It requested CCAQ to complete its study of the matter in time to present its views to it at its next session, so that ICSC might make its recommendation to the GA at the 33rd session. In the meantime, ICSC had no alternative other than to maintain the existing temporary arrangements *[A/32/30, paras. 187 and 188]*.

1980 **12th session (July):** ICSC noted that, if staff assessment were updated and revised, no major problems would emerge in maintaining a common system for pensions, while the strict application of local taxes to establish pensionable remuneration would require the formulation of policies to correct anomalies as well as the elaboration of mechanisms for their implementation. ICSC agreed that while the use of individual local scales of staff assessment rates might be logical, their application could not be justified. Also, ICSC did not find it feasible to use a number of regional scales as suggested during the discussion. ICSC therefore agreed to retain a global scale for all staff in the GS category which would be applied to the net salaries converted into dollars by the use of a 36-month average of exchange rate. That scale reflected the most recent tax rates in the HQ countries and in the 10 countries where regional offices are located. At low income brackets, the scale was based on the average tax rates of the 10 regional offices countries; in the middle income brackets, it was based on the average tax rates for all 17 countries; and at the higher income brackets, it was based on the average tax rates in the seven headquarters countries.

This scale of staff assessment would be applied, as from the date of the next revision, to the GS and other locally recruited categories salary scales at the different duty stations. If the new staff assessment rates, applied to the revised net salaries, were to produce gross salaries, and therefore rates of pensionable remuneration lower than the existing ones, the latter would be maintained until surpassed as a result of subsequent further revisions to the salary scales *[A/35/30, paras. 81-84]*.

By **resolution 35/214 B**, the GA: (a) approved the revised scale of staff assessment for staff in the GS and other locally recruited categories as well as the manner of application, including the transitional arrangements recommended by ICSC; (b) invited ICSC to keep under review the matter of staff assessment for all categories of staff and to report to the GA as appropriate.

1981 **14th session (July)**: ICSC considered a problem which had arisen in the **implementation of the new staff assessment rates in Paris**. Technical difficulties had occurred due to the fact that the GS salary scale in Paris was constructed and periodically adjusted on the basis of relativities among the gross salaries, which in turn were based on staff assessment rates.

A modification in the staff assessment rates implied that either net salaries would have to be revised upward or the previously approved method for the construction and adjustment of the scale would require modification *[A/36/30, para. 139]*.

ICSC considered that a perfectly feasible technical solution to the technical difficulties was available. At the time of implementing the new staff assessment rates, the net salary scale could be determined by first establishing the gross salary scale according to the former staff assessment rates and coefficients and relativities. Then, given the new net scale, the new staff assessment rates could be applied, thus determining the new gross salary scale and, by implication, a new set of horizontal and vertical coefficients and relativities. These new coefficients would then remain in effect until they could be reviewed at the time of the next salary survey. This solution was only a slight modification to the methods currently in use in Paris for the construction and adjustment of the scale. ICSC preferred this solution to recommending a postponement, until the next salary survey, of the implementation of the new staff assessment rates. ICSC strongly believed that all the organizations should make every effort to abide by the common approach to salaries, allowances and other conditions of service so as to promote the identical treatment of staff at all duty stations. While understanding fully the technical difficulties which had existed to date for the non-implementation of the new staff assessment rates, ICSC could not but recommend the UNESCO/DG to proceed at the earliest possible opportunity to implement the revised staff assessment rates [A/36/30, paras. 141-143].

1985 **22nd session (July)**: ICSC considered the methodology *(ICSC/22/R.10)* proposed by its secretariat for the determination of a revised staff assessment scale. In view of the concern expressed by the organizations and staff representatives, ICSC decided: (a) to postpone the issue to 1986 pending completion of the studies requested by the organizations; (b) that its secretariat should carry out further calculations; (c) to request the organizations to undertake comprehensive studies on a number of items and submit details of those studies to the 23rd session; (d) that a working group of the ICSC secretariat and the representatives of organizations and staff be formed to study the various issues and report thereon to ICSC at its 23rd session *[ICSC/22/R.23, paras. 68 and 76]*.

1986 **23rd session (March)**: ICSC approved, on a tentative basis, a scale of staff assessment calculated by the tripartite working group *[A/41/30, para. 131]*.

24th session (July): ICSC examined additional information concerning the impact of the proposed rates of staff assessment on gross salaries at selected duty stations. Two alternative proposals from the secretariat seeking to limit the effects on gross salaries of large salary increases and substantial devaluations or revaluations of the local currency vis-à-vis the US dollar, as well as recommendations for transitional measures, were also examined *[A/41/30, para. 131]*. ICSC recommended to the GA a scale of staff assessment *[A/41/30, annex XIII]* for implementation with effect from 1 January 1987. This scale would be used for the determination of gross salaries at each duty station as of the date of the first revision to the salary scales of staff in the GS and related categories. ICSC also recommended to the GA transitional measures whereby existing gross salaries, and therefore rates of pensionable remuneration, would be maintained if the new rates of staff assessment applied to the revised net salaries were to produce lower gross salaries. The transitional arrangements would remain in effect until existing gross salaries were overtaken as a result of subsequent revisions to the relevant salary scale *[A/41/30, paras. 139 and 140]*.

By **resolution 41/207**, the GA approved these recommendations, as well as the manner of their application, including the transitional arrangements recommended by ICSC.

1990 By **resolution 45/242**, the GA noted the intention of ICSC and UNJSPB to undertake a comprehensive review of PR of staff in the GS and other locally recruited categories, and requested ICSC, in full cooperation with the Board, to submit recommendations to the GA at its 46th session.

1991 **33rd and 34th sessions (March and August):** ICSC began its comprehensive review of PR and consequent pensions for the GS and related categories in line with its commitment to the GA as noted in resolution 45/242. Following a detailed examination of the information before it, and in particular the preliminary data pertaining to the pension schemes of outside employers at selected duty stations, ICSC concluded that the study concerning GS/PR and pensions was bound to be a complex and time-consuming exercise. It therefore decided to recommend to the GA that a step-by-step approach to the matter be taken. For the present ICSC would bring to the attention of the GA the scope of the problem and the complexities involved. Pending the completion of further studies, the current methodology for the determination of PR would continue to be used. In this connection, ICSC was recommending a revised staff assessment scale with effect from 1 January 1992 *[A/46/30, vol. I, paras. 72, 84 and 88] (see also section 5.10).*

ICSC agreed that the modalities used at the time of the introduction of the current scale, effective 1 January 1987, should be used for the implementation of the revised scale of staff assessment. The procedure would be as follows: (a) the revised scale of staff assessment, following approval by the GA, would go into effect as of 1 January 1992; (b) GS salary scales in effect as of 31 December 1991 would continue to remain in effect until the scale of net salaries was revised as a result of either a comprehensive GS salary survey or an interim adjustment; (c) on the occasion of an adjustment of the scale of GS salaries, resulting from either a comprehensive GS salary survey or an interim adjustment, the revised staff assessment scale would be applied to net salaries using the current net to gross methodology; (d) if the scale of gross salaries in (c) above were equal to or higher than that in effect on 31 December 1991, then the revised scale would be used; if it were lower, the scale in effect on 31 December 1991 would continue to be used until the procedure in (c) above produced a gross salary scale which was higher than the one in effect on 31 December 1991 *[A/46/30, vol. I, para. 89]*.

By **resolution 46/191**, the GA endorsed, with effect from 1 January 1992, the staff assessment scale and the modalities for its implementation for staff in the GS and related categories.

By **resolution 46/191**, the GA endorsed, with effect from 1 January 1992, the staff assessment scale and the modalities for its implementation for staff in the GS and related categories. In **resolution 46/192** (UN pension system), the GA: (a) concurred with the ICSC and UNJSPB conclusions that further studies were required of possible alternative methodologies in order to determine the most equitable solution for all parties concerned, including in particular studies of the feasibility of determining PR and/or pensions by reference to the local practices of employers used in GS salary surveys, of the income replacement approach followed in determing the PR of staff in the P and higher categories, and of the use of local taxes to derive PR from net pensionable salaries; (b) endorsed the phrased approach to the comprehensive review and its timetable as set out in the ICSC report; (c) concurred with the view of ACABQ that the recommendations of ICSC and the Board should aim to eliminate current anomalies in the system and that the further studies should be completed within the proposed timeframe; (d) requested ICSC and the Board in their further studies to take into account the views expressed in the Fifth Committee, in particular those related to the administrative and financial implications of determining pensions in accordance with local practices of employers used in GS salary surveys and to the alternative of reflecting local conditions in the determination of PR through the application of local tax rates to gross up net pensionable salaries.

1992 **35th session (March)**: ICSC continued the comprehensive review of PR and consequent pensions for the GS and related categories on the basis of documentation prepared jointly by the secretariat of ICSC and UNJSPB *(ICSC/35/R.12, and Corr.1 and Add.2)*. It decided that a working group of three ICSC members, three nominated by the organizations and two each nominated by CCISUA and FICSA should be established with the following terms of reference: (i) the Working Group should bear in mind the relevant parts of section II of GA resolution 46/192; (ii) the Working Group should review

the following issues, taking into account the analyses contained in documents ICSC/33/R.8 and addenda, ICSC/34/R.9 and addenda, ICSC/35/R.12 and Corr. 1 and Add.1, as well as the observations made in the relevant reports of the Commission and the Pension Board: (a) how to exclude all or a portion of any non-pensionable components of net base salary; (b) alternative procedures for deriving pensionable remuneration from the net pensionable salary a determined under subparagraph a. above. In particular, the following should be examined: (i) whether all or a portion of the net pensionable salary should be grossed up, assessing in relation thereto the rationale for and the implications of the various alternatives presented. (ii) the various approaches presented thus far for determining the appropriate "tax factor", namely, use of dollar-based staff assessment rates; use of local tax rates; use of the band approach; use of predetermined income-replacement ratios; and use of outside gross salary data; (c) The interim adjustment procedure to be applied to determine changes in the pensionable remuneration between comprehensive reviews *[ICSC/35/R.17, paras. 119] (see also section 5.10)*.

36th session (August): ICSC examined the report of the above-mentioned Working Group *(see also section 5.10)*. It focused its attention on methodologies which related GS/PR to salaries received while in service. It noted that, while there were a number of problems relating to currency fluctuations in the context of grossing-up procedures, the most serious anomaly was that of income inversion (i.e. situations where the same or lower net remuneration received by GS staff led to a PR higher than that of a staff member with the same or higher net remuneration). That situation arose because the tax element added to the net remuneration of a GS staff member was significantly higher than for a P staff member with the same or higher net remuneration.

ICSC examined the respective methodologies used to determine the PR amounts of the GS and of the P and higher categories of staff. It noted that the staff assessment scales used to account for the tax factor for the two categories of staff were based on taxes applicable in different groups of countries and were determined using different procedures. They, therefore, produced significantly different rates. The procedures used for adjusting the PR of the two categories were also significantly different. ICSC noted that these three factors, namely, the different rates of staff assessment, the existence of two significantly different methodologies and the different interim adjustment procedures for the two categories of staff had contributed, in that order, to the income inversion phenomenon. Consequently, attention would have to be focused on those three elements. ICSC thus concluded that an approach whereby a part of the salary was used for grossing-up purposes should be considered for the GS staff (as it was for the P and higher categories). In conjunction with that approach, the use of the same or very similar staff assessment formulae should be examined for the two categories of staff. Finally, the interim adjustment procedure for the GS staff should be aligned with that used for the P and higher categories *[A/47/30, paras. 90-93]*.

As regards specific grossing-up procedures, ICSC agreed that its secretariat, in cooperation with the secretariat of UNJSPB, should develop a single scale of staff assessment for use in deriving PR from net remuneration for all categories of staff. The results of this study should be presented to ICSC at its spring 1993 session. ICSC also agreed that, along with the above data, the two secretariats should present the information collected to date on the band approach and local taxes *[A/47/30, paras. 94 and 95]*.

1993 **37th session (March)**: ICSC considered information pertaining to the above request to the ICSC and UNJSPB secretariats to develop a single scale of staff assessment, along with the data collected to date on the band and the local taxes approach. It decided that an informal technical working group should be convened to prepare further documentation; the report of the group was then considered by ICSC. On the basis of the work of its 1992 working group and the views of the informal working group

thereon, ICSC concluded that neither the band approach nor the use of local taxes should be pursued further *[A/48/30, paras. 36-38]*.

ICSC accordingly focused on the development of a common staff assessment scale. It noted that while staff assessment at dependency rates was used to determine PR for the P and higher categories, the dependency rate of staff assessment was used to determine the gross salaries/PR of GS staff. Consequently, if a single set of staff assessment rates were to be developed for determining the PR for all categories of staff, based on either single or dependency rates, a number of difficulties could arise.

Since the introduction of the dependency and single rates of salaries for P staff in 1977, emphasis had always been placed on the salaries at the dependency rate. UN/US salary comparisons had been carried out on the basis of dependency rate salaries. The results of those comparisons (the margin) had played a critical role in monitoring P salary levels since 1985. Since 1977, P salaries at the single rate had been determined on the basis of the salaries at the dependency rate on a judgmental basis. It would therefore be inappropriate to determine Professional PR by applying staff assessment at the single rates to the current salaries at single rates, since the latter did not correspond closely to salaries at single rates based on taxes applicable to single taxpayers. If staff assessment at single rates were to be applied to single-rate salaries for the P staff, the latter would have to be adjusted to reflect taxes at the single rates. ICSC was of the view that a study pertaining to PR amounts should not be used as a basis for correcting anomalies, perceived or real, in the salary system. That point was particularly important since the current comprehensive review related to the PR and pensions of GS staff. It should therefore not be used to address anomalies in the salary scale for P staff *[A/48/30, paras. 39-40]*.

With regard to GS staff, ICSC noted that single-rate net salaries had been grossed up using staff assessment at single rates since the introduction of the system of staff assessment and the Tax Equalization Fund in 1948. At the present time, net salaries of GS staff at all duty stations were determined on the basis of the application of taxes at the single rates. In countries where there was a tax abatement and/or a social benefit for a dependent spouse, a separate spouse allowance, established as a flat amount, was paid to eligible GS staff. In many countries, no spouse allowance was payable. Therefore, if a staff assessment at dependency rates were to be applied to determine gross salaries from the net salaries of all categories, it would lead to distortions in the results for GS staff *[A/48/30, paras. 40-41]*.

ICSC agreed that the application of a single set of staff assessment rates (single or dependent) would, under existing circumstances, lead to anomalies and distortions for either P staff or GS staff, or both. It thus concluded that instead of striving for a single set of staff assessment rates applicable to all categories, efforts should be focused on developing a single scale, but with two separate sets of rates (dependency and single), as was done in most tax systems. As long as the two sets of staff assessment rates were determined from the tax rates of the same group of countries using a common approach, the part of the income inversion problem attributable to the differences in the tax element would be significantly reduced. ICSC therefore concluded that two separate sets of staff assessment rates, reflecting taxes at the dependency and single rates respectively, should be developed *[A/48/30, paras. 42-43]*.

It concurred with the informal working group's views concerning various aspects of the calculation procedure for developing a common staff assessment scale and agreed that the procedure proposed by the group *(as set out in A/48/30, para. 44 (b))* was sound and should be used to arrive at the scale. Noting that the income inversion anomaly had arisen over a long period of time, ICSC considered it advisable to rectify the anomalous situation over a reasonable period of time, using a phased approach. The introduction of the income replacement approach for GS staff would reduce the income inversion anomaly to some extent. The use of the 1-to-1 interim adjustment procedure *(see section 5.10)* would

avoid further widening of income inversion. ICSC therefore considered that a common staff assessment scale with two sets of staff assessment rates should be recommended to the GA for implementation in respect of all categories of staff, but only in 1997, following the comprehensive review of the PR of staff in the P and higher categories which was scheduled to take place in 1996 *[A/47/30, paras. 45 and 46]*.

If that approach was pursued, it could be argued that there was no reason to construct the common staff assessment scale at present, because it would have to be updated before implementation in 1997, based on the taxes applicable at that time. For illustrative purposes, however, a scale of staff assessment with separate rates for dependency and single rate salaries should be developed in accordance with the procedure outlined in para 44 (b) of the report and used to derive the consequent universal PR scale for P staff and the PR levels for GS staff at selected duty stations. On that premise, a common staff assessment scale was developed on the basis of taxes currently applicable at the 7 HQ locations *(see A/47/30, annex II)*. ICSC noted that some members of the informal working group had raised questions about the tax data for specific duty stations, e.g. Geneva. Those should, however, be taken into account at the time of developing the scale that would be recommended to the GA in the future *[A/48/30, para. 47]*.

For GS staff, the impact of the application of the indicative common staff assessment scale on the levels of PR of GS staff in New York indicated that the introduction of a common staff assessment scale, based on current tax rates, would result in reducing the income inversion problem by approximately 4 per cent on an average basis *[A/48/30, para. 49]*.

ICSC decided, subject to consideration at its session in July-August 1993 of the views of UNJSPB: (a) to reaffirm its earlier position that the income replacement approach using 56.25 per cent of net pensionable salary should be used to determine GS/PR. The revised procedure should be implemented on the occasion of the first adjustment of the salary scale on or after 1 April 1994, subject to the transitional measures applied on the occasion of the introduction of the 1992 staff assessment scale; (b) that subsequent adjustments of PR, until the introduction of the common staff assessment scale, should be made on the basis of a 1-to-1 interim adjustment procedure; (c) that the procedure outlined under paragraph 44 of its annual report should be used to determine a common staff assessment scale, with two separate sets of rates (single and dependency) as part of the comprehensive review in 1996 of the methodology to determine the PR and consequent pensions of staff in the P and higher categories; and that the common staff assessment scale should be introduced in 1997 to determine the PR of the two categories of staff; (d) that ICSC would recommend in 1996 the modalities for the implementation of the common staff assessment scale, including appropriate transitional measures, if needed; (e) that, following the introduction of the common staff assessment scale in 1997, the income replacement approach would be used to determine GS/PR on the occasion of comprehensive salary surveys with subsequent adjustment of PR between comprehensive surveys made on the basis of the 1-to-1 interim adjustment procedure *[A/48/30, para. 52]*.

38th session (August): ICSC was informed by the Chairman of UNJSPB that the Board's position on the methodology for determining GS/PR and the various aspects thereof. The Board's position included an endorsement of the ICSC's conclusion that an income replacement approach should be used to determine GS/PR, which the Board believed should also involve the following: (a) a recommendation that the ICSC "reconsider the factor to be used for grossing-up purposes and its relationship to the number of years of contributory service", taking into account the views expressed by the Board in 1992 and 1993, and the mandate in GA resolution 47/203; (b) a request that the introduction of the 1-to-1 interim adjustment procedure be linked with more frequent revisions of the staff assessment scale, following the introduction of the common staff assessment scale for application to all categories of staff in 1997 with which the Board agreed; the Board suggested a two-year review cycle; (c) a

recommendation that ICSC should review, at its 38th session, the current methodology for use of the non-pensionable component in determining pensionable remuneration, taking into account the income replacement approach and the other considerations set out in the Board's report; the Board agreed with ICSC that the income replacement approach should be introduced on the occasion of the first salary adjustment made on or after 1 April 1994. It recommended that the modalities for the treatment of the non-pensionable components should be introduced as of the same date. Finally, the Board requested ICSC to give favourable consideration to modifying the transitional measures to provide for phasing in the effects of the grossing-up factor over two or three successive salary adjustments. After the session of the Board, several interpretations had been advanced concerning the Board's recommendation that ICSC "reconsider the grossing-up factor". The Chairman indicated that what was clear was the importance of the grossing-up factor in obtaining endorsement of the income replacement methodology and a broadly acceptable conclusion to the highly complex and sensitive review of GS/PR which had begun three years earlier *[A/48/30, paras. 55-60]*.

At the outset, ICSC recalled that the Pension Board had not been able to reach specific conclusions on the methodology at its 1992 session; as a result, ICSC had been confronted with the difficult task of reaching conclusions on its own. At its special session in June 1993, the Pension Board had had before it the full details of the results of the Commission's deliberations sessions in 1992 and 1993 (37th session), ICSC would, therefore, have preferred it if the Board had made specific proposals on the grossing-up factor rather than merely requesting ICSC to reconsider it. ICSC expressed disappointment that the Board had not provided a rationale for reconsidering the grossing-up factor. It looked forward to receiving timely and substantive inputs from the Pension Board in the future so that the two bodies could work in full cooperation on all aspects of their joint endeavours *[A/48/30, para. 67]*.

Following a review of the various factors involved, most members of ICSC were of the view that there were valid reasons for believing that the grossing-up factor could be 66.25 per cent of net pensionable salary corresponding to the maximum years of contributory service (35 years) *[A/48/30, paras. 67 and 68]*.

ICSC also considered the Board's recommendation to link the introduction of the 1-to-1 interim adjustment procedure to more frequent revisions of the staff assessment scale, e.g. a two-year review cycle. It recalled that it had already agreed in principle to more frequent reviews of staff assessment; however, definitive recommendations on that aspect should be submitted to the GA in 1996 along with the common staff assessment scale *[A/48/30, para. 71]*.

As to the Board's request that ICSC give favourable consideration to phasing in any negative effect of the income replacement grossing-up factor, over two or three salary adjustments, ICSC decided to maintain its earlier position. Its recommendation as regards transitional measures to be used in conjunction with the introduction of the income replacement approach is contained in paragraph 85 (a) of its 1993 annual report. Transitional measures to be used in conjunction with the common staff assessment scale would be formulated for recommendation to the GA in 1996 when ICSC developed the common staff assessment scale *[A/48/30, para. 74]*.

ICSC decided to recommend to the GA that: (a) the income replacement approach using 66.25 per cent of net pensionable salary should be used to determine PR for GS staff. The revised procedure should be implemented on the occasion of the first adjustment of the salary scale on or after 1 April 1994, subject to the transitional measures applied on the occasion of the introduction of the 1992 staff assessment scale; (b) subsequent adjustments of PR, until the introduction of the common staff assessment scale, should be made on the basis of a 1-to-1 interim adjustment procedure; (c) as part of the 1996 comprehensive review of the methodology to determine the PR and consequent pensions of staff in the P and higher categories, the procedure outlined under paragraph 44 of the 1993 annual

report should be used to determine a common staff assessment scale, with two separate sets of rates (single and dependent). The common staff assessment scale should be introduced in 1997 to determine the PR of the two categories of staff; ICSC would recommend in 1996 the modalities for the implementation of the common staff assessment scale, including appropriate transitional measures, if needed; (d) following the introduction of the common staff assessment scale in 1997, the income replacement approach should be used to determine GS/PR on the occasion of comprehensive salary surveys, with subsequent adjustment of PR between comprehensive surveys made on the basis of the 1-to-1 interim adjustment procedure *[A/48/30, para. 85]*.

In **resolution 48/225** (UN pension system), the GA: (a) approved the ICSC recommendations that the income replacement approach, applying 66.25 per cent of the net pensionable salary, should be used to determine PR for staff in the GS and related categories and that the revised methodology should be implemented on the occasion of the first adjustment of the salary scale, on or after 1 April 1994, subject to the transitional measures applied on the occasion of the introduction of the 1992 staff assessment scale; (b) noted that the ICSC recommendations *(A/48/30, para. 85)* did not eliminate the income inversion anomaly and that further attention would need to be given to its elimination; (c) approved the recommendation that subsequent adjustments of PR until the introduction of the common staff assessment scale in 1997, should be made on the basis of a 1:1 interim adjustment procedure; (d) approved the procedure outlined in para. 44 of the ICSC report for determining the common staff assessment scale, with two sets of rates (single and dependent); (e) requested ICSC, in close cooperation with UNJSPB, as part of the 1996 comprehensive review of the methodology to determine the PR and consequent pensions of staff in the P and higher categories, to develop a common staff assessment scale for the determination of the PR of all categories of staff, using the procedure approved and reflecting the latest available tax rates; (f) also requested ICSC to recommend to the GA at its 51st (1996) session a common staff assessment scale, together with the effective data and modalities for its implementation, including appropriate transitional measures, as required; (g) decided that, following the introduction of the common staff assessment scale in 1997, the income replacement approach should be used to determine the PR of staff in the GS and related categories on the occasion of comprehensive salary surveys, with subsequent adjustment of PR between comprehensive surveys to be made on the basis of a 1:1 interim adjustment procedure; (h) noted that ICSC, in close cooperation with the Board, would continue to keep under review the matter of the PR and consequent pensions of staff in the GS and related categories.

SECTION 2.2.40
OVERTIME AND NIGHT DIFFERENTIAL

1985 **21st session (March)**: ICSC considered a proposed methodology for the evaluation of overtime and shift differential policies for application to the GS and related categories of staff. As a general principle, ICSC 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 GS 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.). ICSC 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. In cases where it was not possible for UN organizations to adopt *in toto* the work hours of outside employers, ICSC 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. ICSC further decided that neither overtime nor shift differential payments should be pensionable; and that once overtime and shift differential policies were determined, they should be maintained unless a significant change occurred in local conditions as verified by national legislation or national labour agreements *[A/40/30, paras. 150-153]*.

CHAPTER 2
SALARIES
(BOTH CATEGORIES)

SECTION 2.3.10
STRUCTURE OF CATEGORIES AND GRADES

1976 **3rd and 4th sessions (March and June/July)**: In the context of the review of the UN salary system ICSC considered the structure of categories and grades. It noted that the division of the staff of the organizations of the UN common system into two categories dated formally from 1951, although previous to that date the principle had already been established that staff for the clerical and manual grades should be recruited locally and paid according to local standards, while those of the P grades should be recruited internationally and paid according to a global international scale. That structure was confirmed by the 1956 Salary Review Committee. The 1971-1972 Special Committee had noted that the distinction between categories related to: (a) the nature of the posts they contained; (b) the manner of recruitment; (c) the method of determining conditions of service. The Special Committee had concluded that the division into two main categories was sound and that no change in that structure would better enable the organizations to meet their current and expected manpower requirements *[A/31/30, paras. 99 and 100]*.

ICSC agreed that, while there might be certain conceptual advantages in the merging of the present two categories (P and higher categories, GS category) into a single category, the differences in duties and responsibilities between them, which were reflected in different recruitment policies and methods of salary determination, were so significant as to preclude such a merger as a practical possibility. ICSC concluded that no change should be made in the existing structure of grades. It noted for further study: (a) the overlap in remuneration between the two categories and classification criteria to distinguish between senior GS and junior P grades; (b) **the optimum ratio of GS to P posts**; (c) local or national Professionals; (d) the alleged inclusion in one category in some organizations of posts which, by the nature of their responsibilities and the qualifications required of their incumbents, should properly be classified in the other category (e.g. extended GS levels) *[A/31/30, paras. 106-109]*.

1977 **5th session (February/March):** ICSC noted that the number of grades into which the GS category was divided varied from duty station to duty station. It recognized that such variations reflected both differing organizational needs and differing practices in the local labour markets, and concluded that standardization of the number of grades in the scale at all duty stations should not be an absolute requirement. The aim should be to ensure that equal work was equally remunerated, whether or not the number of grades was the same. Within a single duty station (such as Geneva) it was, however, essential that there be a common grading structure and grading standards. ICSC expressed the hope that the organizations at Geneva would take steps to bring their own grading for comparable jobs into line with the grades which had been found appropriate by reference to outside salaries and so achieve the desired uniformity in grading and remuneration. ICSC also noted that the number of steps provided in each grade varied, both from duty station to duty station and from grade to grade. It recalled that steps within a grade did not reflect different levels of responsibility but were intended to provide staff members with a regular increment in remuneration reflecting increasing seniority, independently of such improvement as they might obtain through promotion to a higher grade. Advancement from step to step was normally annual, subject only to certification that the staff member's performance and conduct had been satisfactory. The number of steps per grade was thus determined largely in light of the promotion policies and prospects in different organizations, for different occupations and at different levels, the aim being to ensure that throughout the number of years a staff member could normally be expected to remain in a given grade before receiving a promotion, he or she would receive

an annual increment. The number of steps in each grade should therefore not be artificially standardized for the sake of uniformity. However, appropriate overlaps between the spans of successive grades should be maintained *[A/32/30, paras. 67 and 68]*.

1989 **30th session (August)**: As part of the comprehensive review of conditions of service of the P and higher categories *(see section 2.1.90)*, ICSC examined, *inter alia*, structural problems within the existing salary scale on the basis of the report of the Working Group on the comprehensive review *[A/44/30, vol. II, para. 337]*.

ICSC noted a significant concentration of staff and posts around the middle of the scale (P-3 to P-5); those three grades in effect accounted in 1987 for over 75 per cent of the P and higher graded posts in the common system. While consideration was given to restructuring the present scale to provide more levels above the current P-3 level, ICSC concurred with the conclusions of the Working Group that the introduction of more grade levels would have implications for the Master Standard, requiring a massive reclassification of all posts in the P and higher categories. ICSC recognized, however, that this issue might have to be addressed in the future.

It was felt that the concentration of posts at the P-3, P-4 and P-5 levels could be attributed to a number of factors, which varied according to organization. They included the programme requirements of the technical organizations for high-level, specialized skills and difficulties on the part of organizations in attracting staff at the P-1 and P-2 levels owing to the non-competitiveness of salaries at those grades. ICSC noted that that situation persisted despite vigorous recruitment efforts on the part of some organizations to fill a greater number of lower-level positions.

ICSC then examined data on inter-grade/inter-step relationships. ICSC noted that the value of the within-grade increment in relation to step I of the relevant level ranged from 3.5 per cent at P-1 to 2.0 per cent at the P-5 level. Moreover, at the P-1 level there were currently 10 steps, while at the D-2 level there were only 4. The overall salary span from minimum to maximum was 30.8 per cent at the P-1 level, while at the D-2 level it was only 6.4 per cent. Percentage differences in salary between grade levels similarly reflected wide variations, i.e. the difference between the P-1 and P-2 levels at the minimum was 26.4 per cent; between D-1 and D-2 it was 13.7 per cent; while between P-5 and D-1 it was only 10.6 per cent.

ICSC recognized that the current structure, by providing more steps at the lower grades, tended to recognize seniority at the lowest end of the salary scale where there were opportunities for promotion. Conversely, by providing lower increases upon promotion at the higher grades, it did not recognize length of service in the grade characteristic of staff at those grade levels. That was compounded by the reduced number of steps and the compressed inter-grade salary differentials at the higher levels, which meant that staff also attained the ceiling salary in a shorter period. ICSC also recognized that one of the demotivating factors most frequently referred to in UN service was the problem of staff who had reached the top of their grade.

Bearing in mind the above considerations, ICSC considered that every attempt should be made to incorporate the following structural improvements into the salary scale for P and higher-level staff at the time of the next revision of the base salary scale: (a) lowering the value of annual increments (step values); (b) increasing the point in the salary grade at which overlap occurred with the next higher grade; (c) adding some steps at the end of each grade in the P-2 to D-2 levels, but granting them every two years; (d) increasing the step I values of the grades, especially those of grades P-1 to P-3, to render the UN system more competitive on recruitment; (e) eliminating present aberrations in the existing scale; (f) if step values were changed, ensuring that the last step of the new scale was never less than

the last step of the present scale in order to protect acquired rights *[A/44/50, vol. II, paras. 346-351] (see also sections 2.1.60 and 2.1.90).*

1992 In **resolution 47/216**, the GA requested ICSC to keep under review the structure of the salary scale at all levels of the P and higher categories and to report thereon to the GA at its 49th session *[for subsequent consideration of this aspect, see section 2.1.60].*

1995 **41st session (May)**: ICSC had before it a document by CCISUA *(ICSC/41/R.16)* dealing with the subject of a unified nomenclature for UN staff, which in CCISUA's view would bring about an increase in staff morale. Assuming that the expression "international civil servant" was to be selected, CCISUA outlined a nomenclature that could be used for designating various levels within the several categories currently in use at the UN. ICSC noted a statement by the CCAQ Chairman that some organizations would be willing to work with CCISUA to develop the concept further. ICSC agreed to revert to the issue on that basis *[ICSC/41/R.19, paras. 381, 383 and 384].*

2015 **80th session (March).** The Commission noted the information of the working group on performance incentives and human resources issues which was established in the context of its review of the compensation system compensation package and which had considered the use of the National Professional Officers. The Commission decided: to endorse the recommendation to comprehensively review the utilization of all categories of staff, namely, Professional and higher (P), National Professional Officer (NPO), Field Service (FS) and General Service and related (GS) (ICSC/80/R.9, para. 185). The Commission decided to "review the use of the different categories of staff in line with the Commission's programme of work (A/70/30, para. 279(e)).

2016 **82nd session (March).** The Commission reviewed two documents (ICSC/82/R.4 and ICSC/82/CRP.3) on the overview of staff categories in the United Nations common system. The Commission tentatively identified the following list for further study on the understanding that the list could be revised on the basis of the feedback received:

(a) Rationale, definitions and characteristics of various categories;

(b) Possible overlaps of or gaps in functions among the various categories using ICSC job classification standards in line with article 13 of the ICSC statute;

(c) Review of the current criteria and guidelines for the use of the National Professional Officer category (Local Professional Officers) in view of the current mandates of organizations and the related differences in the context of work;

(d) Possible application of existing ICSC job classification standards for jobs under the Field Service category, and/or possible development of a classification standard for Field Service positions by ICSC and development of appropriate criteria/principles for the use of the Field Service category concerning work areas/tasks;

(e) Career development within and across various categories.

The Commission also requested organizations and staff federations to contribute to the process by providing information and comments on the use of various categories of staff in the United Nations common system as they have developed over time and by identifying their future needs. (ICSC/82/R.7, paras. 97 to 98).

83rd session (July/August). The Commission was presented with document ICSC/83/R.6 which provided additional information on the use of categories of staff in the common system.

The Commission decided to request the secretariat to: (a) Undertake further studies on: (i) Issues identified in the discussions at the session on various categories (General Service, Field Service, National Professional Officer and Security Service); (ii) Practices of similar international organizations on their use of internationally and locally recruited professional personnel; (b) Develop options on the use of internationally recruited and locally recruited professional staff in the United Nations common system; (c) Present a report containing the information and findings on the use of categories of staff through a working group modality (A/71/30, para. 114).

2017 **85th session (July)**. The Commission reviewed the report of the working group which had previously studied issues relating to the use of the General Service, National Professional Officer and Field Service categories. The working group had reported that many of the issues raised by the organizations with regard to the General Service category had been dealt with at the time of the development of the global job classification standard for the category. The available data also did not indicate any notable changes with regard in the nature of General Service work. Therefore, the Commission agreed that information on the implementation of the global job classification system as it applied to the General Service category should be sought from the organizations. The Commission took a number of decisions with regard to the National Professional Officer and Field Service categories as follows.

The Commission decided to: (a) Recommend to the General Assembly the guidelines for the use of the National Professional Officer category, as set out in annex II; (b) Recommend to the Secretary-General of the United Nations that: (i) Jobs in the Field Service category should be graded on the basis of the General Service and Professional job classification standards approved by the Commission; (ii) The United Nations and organizations using the Field Service salary scales should confirm, in consultations with the ICSC secretariat, the correspondence between the Field Service grades and the General Service and Professional grades; (iii) The criteria for use of the Field Service category, in any function and grade level, as set out in annex III, should be adopted; (c) Request the ICSC secretariat to seek information on the rate of implementation by the common system organizations of the global classification standard for the General Service category and present the information at its eighty-seventh session, A/72/30, para. 48 and annexes II and III.

The General Assembly:

Approved the guidelines for the use of the National Professional Officer category, as recommended by the Commission in paragraph 48 (a) and annex II of its report;

Invited the organizations of the United Nations common system to abide by existing rules and regulations regarding short-term duty assignments without involving a change of duty station when deploying National Professional Officers outside the country of their employment;

Underscored the need for the organizations to respect the guidelines for the use of National Professional Officers in the context of short-term duty assignments, and in this regard called upon the organizations to guard against repeated short-term duty assignments of National Professional outside their country of recruitment, A/RES/72/255, I.A.

84th session (March). The Commission was provided with additional information relating to the use of categories of staff in the General Service, National Professional and Field Service prepared by its secretariat, CEB and common system organizations.

The Commission decided**:** (a) That its secretariat should continue to review the use of the Field Service category in consultation with the United Nations and UNHCR; and (b) That the issues pertinent to the review of the use of categories of staff and other related issues raised in the informal group discussions listed in annex II be examined by a working group which would present a report for consideration by the Commission at its eighty-fifth session (ICSC/84/R.8, para. 45 and annex II).

SECTION 2.3.20
LONG SERVICE STEPS

1984 **19th session (March)**: ICSC noted that the granting of extra steps to account for longevity was not a practice followed by the comparator. There would therefore not appear to be any justification to grant such steps in the UN system under normal circumstances. It agreed, however, that some staff members, despite their excellent performance, could not be considered for promotion to the next higher level, owing, *inter alia*, to job classification constraints. With regard to the GS and other locally-recruited categories, ICSC noted that longevity steps already existed in the salary scales of 34 duty stations where there was a corresponding local practice. ICSC, therefore, was of the view that no further action with regard to those duty stations was called for. As for the remaining duty stations, ICSC decided that in exceptional circumstances, where staff members could not be promoted to the next higher level despite excellent performance owing to circumstances beyond their control, one extra step beyond the salary scale might be granted. ICSC therefore, in accordance with the terms of article 10 (b) of its statute, recommended to the GA that a single long-service step could be granted to staff in the P category (P-1 to P-5), subject to the criteria that the staff member should have had: (a) 20 years of service within the common system; and (b) five years of service at the top of the grade. ICSC also decided that the organizations should ensure that the service had been entirely satisfactory. Such a system should come into effect on 1 January 1985. ICSC decided not to recommend an additional long-service step for staff at the D-1 and D-2 levels whose merit had been recognized by the organizations through career advancement or appointment to those levels *[A/39/30, paras. 191-193]*. In accordance with the terms of article 12.1 of its statute, ICSC decided to recommend to the executive heads of the organizations that a similar long-service step, with the same criteria and date of implementation, be introduced for staff in the GS and related categories at duty stations where long-service steps did not exist at the present time *[A/39/30, para. 194]*.

20th session (July): ICSC had also considered that long-service steps should be non-pensionable, but at the request of the representatives of the organizations and the staff, it reviewed again the pensionability aspect. After considerable discussion and after taking into account the arguments which had been put forward in favour of pensionability as well as views of the Secretary of UNJSPB that this would have only a negligible impact on the actuarial balance of the Pension Fund, ICSC agreed that the measures recommended should be pensionable. It therefore decided to recommend to the GA under article 10 (b) of its statute that an additional step be introduced into the salary scales for long service at the levels P-1 to P-5, and to executive heads under article 12.1 of its statute that, at those duty stations where the salary scales of GS and other locally-recruited categories did not already contain longevity steps, an additional step for long service be introduced into the salary scales. It further recommended that such steps be pensionable and that measures be introduced to apply them with effect from 1 January 1985 *[A/39/30, paras. 197 and 198]*.

The GA did not adopt the long-service step for the P category and by **resolution 39/69** requested ICSC to review the practices of the organizations of the UN common system as regards long-service steps for staff in the P category, to examine ways in which uniformity on this question may be established within the common system and to report thereon to the GA at its 40th session (1985).

1985 **22nd session (July)**: ICSC had received indications from the representatives of ILO and WHO that their organizations did not intend to change their present system of long-service steps. It understood, however, that UPU would reconsider its policy on long-service steps in the light of any common policy that might be approved *[A/40/30, paras. 165 and 166]*. ICSC 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. It 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. ICSC decided to advise the GA that it would maintain the recommendation made in its 10th annual report *(A/39/30)* on a long-service step for the P category. At the same time ICSC observed that the position of WHO and ILO was that their current practices concerning long-service steps should be maintained. ICSC suggested that the GA make representations to the governing bodies of those two organizations with the request that they consider a harmonization of practices within the common system. At the same time ICSC 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 common system, along the lines recommended by ICSC, and to place this matter before their governing bodies *[A/40/30, paras. 173 and 174]*.

The GA at its 40th session did not adopt ICSC's recommendation for a long-service step for the P category. By **resolution 40/244**, it expressed its concern over actions taken by some of the participating organizations that had led to disparities in the common system.

1990 **31st session (March)**: ICSC recalled that it had addressed the issue of longevity steps in 1984 and again in 1987. Moreover, its recommendations to the GA at the 44th session had included, *inter alia*, a salary scale for the P and higher categories with additional steps at grades P-2 to D-2. These recommendations had been approved by the GA and developments, it would be appropriate to review once again the practice of some common system organizations regarding longevity steps. It decided to revert to the matter at its 32nd session on the basis of a detailed document to be prepared by its secretariat *[ICSC/31/R.15, paras. 40 and 44]*.

32nd session (July/August): ICSC reviewed information prepared by its secretariat on this topic *(ICSC/32/R.12)*. It recalled that in its 10th and 11th annual reports, it had recommended that a single long-service step be granted to staff in grades P-1 to P-5. The GA had not endorsed this recommendation. ICSC had also decided to recommend to the Executive Heads of the organizations that a similar long-service step be introduced for staff in the GS and related categories at duty stations where long-service steps did not exist at that time. ICSC's recommendations with regard to the GS and other locally recruited categories of staff had been implemented by the organizations of the common system. ILO and WHO, however, continued to operate under their earlier arrangements, thereby granting more than one longevity step to staff from the GS and other locally recruited categories. ILO, WHO and WIPO had also added steps to the salary scales of the P and higher categories. ICSC decided to recommend that: (a) the Executive Heads of ILO and WHO should bring the matter of the additional steps beyond the salary scales of the P and higher categories of staff approved by the GA, as well as the common system scales for the GS and related categories of staff, to the attention of their respective legislative bodies with the recommendation that the current system of reward through the extension of salary scales be replaced by the introduction of a scheme entailing the payment of one time non-pensionable cash awards to reward merit; (b) WIPO, in view of the additional steps introduced in the scale of salaries and PR which went into effect as of 1 July 1990, take appropriate action to change its staff regulations to eliminate the provision regarding the introduction of one extra step in grades P-1 to P-5, as recommended in 1984. ICSC further decided to request ILO and WHO to present a detailed report concerning this matter to ICSC at its 36th session *[A/45/30, paras. 143, 162 and 163]*.

By **resolution 45/241**, the GA noted that WIPO had revised its rules in respect of an additional step in the salary scales of the P and higher categories and urged the governing bodies of ILO and WHO to take similar action.

1993 **37th session (March)**: ICSC noted that the WHO/DG, upon the recommendation of the Executive Board at its ninety-first session (January 1993), had decided to abolish its long-service steps for staff appointed on or after 1 March 1993. ICSC reported to the GA that the World Health Assembly had endorsed the decision of the WHO/DG providing that no new staff joining WHO after 1 March 1993 would be eligible for extra meritorious within-grade steps after 20, 25, 30 and 35 years of service; and

to request the DG to provide that all staff working in the WHO secretariat before 1 March 1993, who would have been eligible for an increase should, at the time they would have been eligible for that increase, receive one within-grade increase equivalent to the amount which would have been received under the relevant staff rule provisions and receive no such increases thereafter. These provisions would be subject to approval by the Executive Board of WHO at its session in January 1994. New staff would also not be eligible for any extension of the scale beyond the normal level. With respect to serving staff, the status quo would remain for the time being. The Executive Board had decided to refer the matter to the forty-sixth World Health Assembly (May 1993) at which time additional information on the extended salary scales for both P and GS staff and possible alternative transitional measures would be provided by the secretariat.

ICSC requested ILO to bring its practice with respect to extra steps beyond the salary scale into line with that of the common system *[A/48/30, para. 261(a) (iii)]*.

38th session (July/August): ICSC noted, in connection with a case brought before the ILO Administrative Tribunal by WIPO staff with regard to the Geneva GS salary survey, that the WIPO case challenged the inclusion, in the comparison process, of "two steps, 13 and 14, granted by two Geneva-based organizations" (ILO and WHO). The Tribunal had agreed that the complainants were "right in so far as they object to the counting of the within-grade step increments that the ILO and the WHO grant to GS staff". The Tribunal considered it to be "unfair to count benefits improperly granted to the staff of some organizations and so artificially inflate the comparative figures of pay of staff in organizations like the Union for the Protection of New Varieties of Plants that do abide by the rules of the system" *(see also section 2.2.20) [A/48/30, para. 256]*.

In **resolution 48/224**, the GA welcomed the action taken by the World Health Assembly and the ILO Governing Body regarding the extra steps beyond the common system salary scales.

1994 **39th session (February/March)**: ICSC noted documentation by its secretariat *(ICSC/39/R.2/Add. 1)* in which it was, *inter alia*, reported that the ILO Governing Body, at its 258th session (November 1993), had decided that step increments beyond the top of the common system salary scale should no longer be applicable to officials recruited on or after 1 January 1994. For serving staff, modalities would be developed for phasing out the extra steps based on long service and for discontinuing the award of extra steps based on merit; these should be submitted for decision at the 261st session (November 1994) and take effect on 1 January 1995 *[ICSC/39/R.10, para. 38]*.

1995 **41st session (May):** In the context of a report on the implementation of its decisions and recommendations *(see section 12.10)*, ICSC reviewed a report by the ILO representative concerning the personal promotion scheme introduced in that Organization.

The ILO Governing Body, which had a tripartite structure, had mandated the DG in November 1993 to abolish the extra steps that ILO had previously maintained beyond the common system scale and to negotiate modalities for phasing out extra steps for serving staff. The results were to be presented to the Governing Body for decision in November 1994. Negotiations with the staff had been undertaken within that framework. The ICSC recommendations on merit awards (which had become available only in July 1994 and were considerably more limited than ICSC's previous thinking in the area) had not been considered by the staff as adequate replacement for the existing entitlement. The ICSC proposals would, moreover, have required changes in the ILO's performance management system, which could not be carried out within the time-frame for decision set by the Governing Body. Staff had proposed instead an extension of the personal promotion scheme introduced in ILO in 1985 in line with the parameters set by ICSC. The package ultimately negotiated, which had been accepted by the

Governing Body, was very restrictive in scope and would affect very few staff (for example in 1995, it would apply to a maximum of 15 staff).

ICSC decided to note the action taken by the ILO and WHO to bring their practices with regard to long-service and meritorious increases into line with that of other organizations *[ICSC/41/R.19, paras. 364 and 371 (b) (i)]*.

CHAPTER 2
SALARIES
(FIELD SERVICE CATEGORY)

SECTION 2.4.10
FIELD SERVICE CATEGORY

1990 **31st and 32nd sessions (March and July/August)**: ICSC considered that the changes to the remuneration package of the P and higher categories emanating from the comprehensive review of the conditions of service of staff members in that category had implications for the entitlements of the FS category. The UN representative noted that the FS category encompassed a wide variety of occupations requiring a high degree of mobility and willingness to serve under difficult conditions. The salary scale for the FS category had last been revised in 1981 based on a comparison with the US foreign service. A new comparison had now been made using the job classification system for the FS category to relate salaries with those of equivalent levels in the US civil service. The comparison showed that the emoluments of US staff abroad were some 20 per cent higher than those of the FS category. The UN therefore proposed an increase in the base salary scale, and in view of the conditions under which staff in the FS category served, recommended application of the mobility and hardship scheme, as already approved for P staff, to the FS category *[A/45/30, paras. 256-261]*.

ICSC decided: (a) to use the US Federal Civil service for comparison purposes with the FS category; (b) to recommend a base salary scale for application to the FS category *(see A/45/30, annex XXI)*; (c) to approve the application to the FS category of the mobility and hardship matrix (see section 3.80) for staff in the P and higher categories. In the application of the matrix, the FS base salary scale would be referenced; (d) to approve the application of the assignment grant (see section 4.30) to the FS category; (e) to approve future adjustments of the FS base salary scale and allowances in relation to adjustments to the same remuneration elements of the P and higher categories; (f) to monitor the development of FS category remuneration, particularly the application of the mobility and hardship matrix, after two years *[A/45/30, para. 270]*.

2006 The Commission decided to recommend that the long-standing policy of aligning the compensation and entitlements of the internationally recruited Field Service category with the 100-series internationally recruited Professional staff be continued and that changes recommended in the present report with respect to internationally recruited Professional staff at non-family duty stations also be applied to them. (A/61/30/Add.1, para. 49 and annex III).

2016 82nd session: The Commission tentatively identified the following list of issues for further study on the understanding that the list could be revised on the basis of the feedback received: … (d) Possible application of existing ICSC job classification standards for jobs under the Field Service category, and/or possible development of a classification standard for Field Service positions by ICSC and development of appropriate criteria/principles for the use of the Field Service category concerning work areas/tasks; (ICSC/82/R.7, para.97).

2017 84th session: The Commission decided: (a) That its secretariat should continue to review the use of the Field Service category in consultation with the United Nations and the UNHCR; and (b) That the issues pertinent to the review the use of categories of staff and other related issues raised in the informal group discussions listed in annex II be examined by a working group which would present a report for consideration by the Commission at its eighty-fifth session. (ICSC/84/R.8, para.45).

The Commission decided to:

Recommend to the Secretary-General of the United Nations that: (i) Jobs in the Field Service category should be graded on the basis of the General Service and Professional job classification standards approved by the Commission; (ii) The United Nations and organizations using the Field Service salary scales should confirm, in consultations with the ICSC secretariat, the correspondence between the Field Service grades and the General Service and Professional grades; (iii) The criteria for use of the Field Service category, in any function and grade level, as set out in annex III, should be adopted; (A/72/30, para. 48, Annex III).

CHAPTER 3
ALLOWANCES

SECTION 3.10
GENERAL

1989 By **resolution 44/198**, the GA requested ICSC: (a) to collect information on the practices of UN organizations regarding expatriate entitlements of staff living in their home countries and working in another in order to assess the feasibility of harmonizing practices among organizations; (b) to provide an overview of the package of allowances, including the level, rationale and procedure for review of each allowance, *inter alia*, by reference to the comparator; and (c) to report on these issues to the GA at its 45th session.

1990 **32nd session (July/August)**: In response to the GA's request, ICSC decided: (a) to present to the GA the information compiled, regarding the allowances applicable to the staff in the P and higher categories and those for the comparator civil service *(A/45/30, annex VII)*; (b) to study the issue of expatriate entitlements granted to staff living in their home countries while assigned to duty stations located in another country in close consultation with the organizations with a view to submitting a report thereon to the GA at its 46th session *[A/45/30, paras. 100 and 109]*.

By **resolution 45/241**, the GA, *inter alia:* (a) urged ICSC to make the utmost effort to complete its study on expatriate entitlements granted to staff living in their home countries and report thereon at the 46th session; (b) invited ICSC to update the comparative overview of allowances on a regular basis.

1991 ICSC further reviewed its work programme and, in the light of a number of other priority issues on its heavy agenda, decided to report on the issue of expatriate entitlements at a later date *[A/45/30, para. 109 (c)]*.

By **resolution 46/191**, the GA noted the revisions which it had been necessary for ICSC to make to its work programme thereby delaying, *inter alia*, the report requested on the granting of expatriate entitlements to staff members living in their home countries while stationed at duty stations in another country. It requested the report at the earliest opportunity.

1993 **37th session (March)**: ICSC reverted to the question of expatriate entitlements on the basis of a note by its secretariat *(ICSC/37/R.7)* in which it was suggested that ICSC might consider recommending to the GA that organizations should be invited to harmonize the relevant provisions of their regulations and rules so as to ensure that all staff recruited after 1 January 1995 would be subject to the same conditions regarding country of residence as were currently applied in the UN in respect of eligibility for expatriate benefits. During the discussion, CCAQ noted that there were a number of associated aspects that required careful examination before a decision could be reached, for example: (a) the difference between the staff regulations of each organization and their application; (b) the historical antecedents which had led organizations to reach different conclusions in respect of the determination of different expatriate entitlements; (c) the rationale behind their determination; (d) the legal implications of taking action in that area. ICSC requested the secretariat to study the issue in close connection with the organizations and report thereon at the 38th session *[ICSC/37/R.18, para. 61]*.

38th session (July): Information on the elements identified by the organizations was provided to ICSC *(ICSC/38/R.7)*. It noted that the staff rules of the organizations reflected two divergent positions: one which defined Geneva as a duty station to include contiguous parts of France (the United Nations) and another which did not (the specialized agencies).

It appeared that it would be difficult to harmonize these two positions, since such harmonization would require adopting one of the two positions rather than finding a middle ground - ICSC decided to report to the GA that: (a) the practices followed were consistent with the provisions of the staff rules and regulations as adopted by the governing bodies of the organizations concerned; (b) harmonization of practice would require the revision of either the staff rules and regulations of the specialized agencies headquartered at Geneva or of the relevant portions of the United Nations Staff Rules and Regulations; (c) the choice between harmonizing around current United Nations or specialized agency practices would appear to be a policy choice rather than a technical one; (d) should the GA wish ICSC to study the matter further, it could do so on the basis of any decision the Assembly might make as regards (c) above *[A/48/30, para. 43]*.

In **resolution 48/224** the GA: (a) noted ICSC's conclusion that the practices followed by common system organizations were consistent with the provisions of the staff rules and regulations as adopted by the governing bodies of the organizations concerned and (b) requested ICSC to study the matter further, with a view to harmonizing the practices of organizations with those of the UN and to make recommendations thereon to the Assembly at its 51st (1996) session.

1995 By **resolution 49/241** the GA, noting the decision of the United Nations Administrative Tribunal in Judgement No. 656: (a) reiterated its decision that the repatriation grant and other expatriate benefits be limited to staff who both work and reside in a country other than their home country; (b) approved amendments to the UN staff regulations to include specific provision to that effect; (c) decided to re-examine the issue of entitlement to repatriation and other expatriate benefits, of staff members living in their home country while stationed at duty stations located in another country at its 51st session, in the light of the report by ICSC requested in resolution 48/224.

SECTION 3.20
DEPENDENCY ALLOWANCES (PROFESSIONAL AND HIGHER CATEGORIES)

1957 From 1946 to 1957 dependency credits in the staff assessment plan were allowed for dependent children under the age of 16 or, if the child was in full attendance at a school or university or totally disabled, under the age of 21. The amount of the credit was increased from $144 to $200 in 1948. On the recommendation of the 1956 Salary Review Committee, the dependency credits were abolished and the rate of the dependency allowance for children of staff members of the P and higher categories was set at $300 (those for GS staff being based on local conditions). The age limit for totally disabled children was removed, but a requirement that the child be unmarried was introduced *[A/31/30, para. 249]*.

1976 **3rd and 4th session (March and August)**: In the context of the review of the UN salary system, ICSC recommended that the existing separate **allowance for a dependent spouse** should be abolished (the amount of the prevailing allowance, $400 per year, being incorporated into the revised base salary). No increase in the existing amount of the **children's allowance** was recommended at that time, nor any system of automatic indexing of the allowance. ICSC would review the amount of the allowance periodically and make appropriate recommendations to the GA whenever necessary. The amount of the allowance for a **secondary dependant** should be increased from $200 to $300 per year with effect from 1 January 1977 *[A/31/30, paras. 70-72]*. These recommendations were adopted by the GA in **resolution 31/141 B.**

Notwithstanding FICSA's claim that the recognition of dependency be regarded as a social benefit, approximately equal at all grades, ICSC was of the opinion that, in the interests of greater comparability, the UN pattern should follow that of the US, that was to say, the ratio of single to married remuneration should decrease as the salary level rose *[A/31/30, para.205]*.

ICSC was provided with data relating to the number of cases attracting the **secondary dependant's allowance**, their relationship to the staff member and the practice of national civil services and other intergovernmental organizations. On the basis of the information at its disposal ICSC decided that, although the practice of the comparator country relating to tax abatements for secondary dependants might provide grounds for some change in the conditions of the allowance, it would be preferable to re-examine that question more closely at a later stage. In the meantime it was agreed that the amount of the allowance should be increased in the same proportion as the children's allowance had been increased as of 1 January 1975, i.e., by 50 per cent of $300.

1977 **6th session (August/September)**: ICSC considered a recommendation from FICSA that it propose to the GA at the 32nd session measures to restore the value of the **children's allowance** for the P and higher categories. FICSA submitted evidence showing that the allowance had declined seriously in many duty stations over a period of years in real value and as a percentage of net salary. In some duty stations the nominal value of the allowance in local currency was now less than it had been in 1957. The losses affected different duty stations unequally so that equality of remuneration was no longer ensured *[A/32/30, para.61]*. ICSC believed that before either the existing amount of the allowance was changed or any mechanism introduced for its adjustment to changes in cost of living or currency values, further study should be made of the rationale for the allowance and possible other methods of determining its amount. It included the question in its programme of work for 1978 *[A/32/30, para. 63]*.

1978 **8th session (July)**: Since proposals had been made for similar protection of other entitlements expressed as fixed amounts in dollars, ICSC considered what criterion should govern the selection of other entitlements to be protected. It concluded that such protection was justified in the case of the **children's allowance**, which was fixed at a flat rate world-wide without any relation to differences in

cost of living and so should be protected against further erosion by currency fluctuations; and the **education grant**, the amounts of which were similarly determined on a world-wide basis and related to specific costs. Acting in response to a proposal by CCAQ, ICSC recommended that the amount of the **children's allowance** payable in local currency should not be less than the local currency equivalent of the dollar amount at the time of its establishment, i.e. $450 on 1 January 1975; and that this measure should take effect from 1 January 1979. The budgetary implications of this measure depended entirely on the evolution of currency exchange rates and so could not be forecast; however, any extra expenditure entailed would normally be covered from the special provision which the organizations maintained for losses and gains on currency exchange fluctuations *[A/33/30, paras. 151-153]*. The GA adopted this recommendation by **resolution 31/119**.

1981 In **resolution 36/233**, the GA requested a review of dependency allowances for all categories of staff.

1982 **15th session (March)**: ICSC reviewed the **children's allowance** and decided that it should remain a social benefit available to all eligible staff and should continue to be differentiated between the GS and related categories and the P and higher categories *[A/37/30, para. 209]*. With regard to the latter, ICSC: (a) noted that no systematic approach was used in the determination of the current amount of the children's allowance; (b) agreed that the amount of the allowance should be based on tax abatement and social security benefits in the seven HQ duty stations calculated on the basis of a 12-month average exchange rate and weighted by the number of P staff at those duty stations; (c) noted that the average of the sum of tax abatement and social security benefit using the 12-month average exchange rate for the seven HQ duty stations ending June 1982 was $728. ICSC recommended to the GA: (a) an increase in the allowance to $700 as from 1 January 1983; (b) currency floor measures would be maintained based on the 12-month average exchange rate ending 30 June 1982 for all duty stations. The increase in the children's allowance for P employees form $450 to $700 had an associated cost of $4.9 million for the calendar year 1983 *[A/37/30, para. 212]*. These recommendations were adopted by the GA in **resolution 37/126.**

ICSC decided that it could not find sufficient justification to establish the **spouse allowance** as a social benefit available at all duty stations. It decided, therefore, as an interim decision, to maintain the system in use for the determination of the allowance for different categories of staff. ICSC agreed that the amount of **spouse allowance** should continue to be determined in accordance with the dual rates of staff assessment, following a system in effect since 1 January 1977 *[A/37/30 para. 220]*.

1983 **18th session (July/August)**: ICSC examined documentation submitted by its secretariat summarizing the history of the **secondary dependant's allowance** as applied to both categories of staff as well as the details of current practices of the organizations *[A/38/30, paras. 85 and 86]*. Pending examination of the matter at its 20th session, ICSC agreed that the universal eligibility criteria currently used by the organizations should continue to be applied in the case of both categories of staff at all duty stations. In the case of staff in the P and higher categories, the amount of the allowance should continue to be calculated by reference to tax abatement applicable in the comparator country *[A/38/30, paras. 92 and 93]*.

1988 **27th and 28th sessions (March and July)**: ICSC examined the current status of the children's, spouse and secondary dependant's allowances for all categories of staff and addressed the relevant issues. The amounts of the children's and secondary dependant's allowances had not been revised since January 1983 and January 1977, respectively. ICSC decided to recommend to the GA that, effective 1 January 1989: (a) the **children's allowance** should be revised as follows:
(i) in all countries, with the exception of those in subpara. (ii) below, to increase thecurrent allowance of $700 to $1,050;
(ii) in countries where ICSC had decided that the RCF was applicable, to increase the amount payable in local currency as at 1 April 1988 by 50 per cent;

(b) the **secondary dependant's allowance** should be revised as follows:
(i) in all countries, with the exception of those in subpara. (ii) below, to increase thecurrent allowance of $300 to $450;
(ii) in those countries where ICSC had decided that the RCF was applicable, to increase the amount payable in local currency as at 1 April 1988 by 50 per cent *[A/43/30,paras. 78 and 79]*.

ICSC also decided that: (a) these allowances would be further considered in the context of the comprehensive review; (b) subject to subpara. (a) above, the allowances should, in principle, be reviewed every three years and adjusted, if necessary *[A/43/30, para. 80]*.

With respect to both categories of staff, ICSC decided that: (a) the upper age-limit for the children's allowance would be maintained at "under 21" when the child was at school or university; (b) the 1981 CCAQ definition of secondary dependants would continue to apply; (c) in a country where a direct payment under social legislation was made to common system staff with respect to a child or a secondary dependant, the amount of the corresponding dependency allowance paid by the common system organization(s) should be reduced accordingly *[A/43/30, para. 80]*.

The financial implications of the above recommendations and decisions were $8.17 million per year for the children's allowance and $120,000 per year for the secondary dependant's allowance using the exchange rates in effect on 1 April 1988 *[A/43/30, para. 81]*.

In **resolution 43/226**, the GA requested ICSC to include, as an integral part of the comprehensive review, a study of, *inter alia*, the purpose and methodology for dependency allowances for staff in the P and higher categories. It approved as an interim measure and until a revised system based on the above study was adopted, the ICSC recommendations concerning the **children's allowance**. It did not adopt the recommendation regarding the **secondary dependant's allowance**.

1989 **29th and 30th sessions (March and August)**: In response to the above request, ICSC undertook a review of dependency allowances as part of the comprehensive review of conditions of service *(see section 2.1.90)*. As a result of this review, ICSC decided to recommend to the GA that: (a) a dependent spouse or the first dependent child of a staff member without a spouse should continue to be recognized through differentiated rates of staff assessment and PA. There should be no change at this time in the extent of the differentiation; (b) the relevant tax abatements and family allowances payable in the countries of the seven HQ duty stations should continue to serve as the basis for determining the **children's allowance**; (c) the children's allowance should be set at 2 per cent per child of net base salary plus PA at the dependency rate payable at P-4, step VI, at the staff member's duty station, subject to a floor allowance equivalent to 2 per cent of net base salary plus post adjustment at P-4, step VI, in New York. The allowance should be adjusted on the basis of PA changes for the duty station, subject to the above floor provision; (d) the age limit for eligibility to dependency benefits in respect of a child should remain unchanged; (e) the children's allowance in respect of a disabled child should be double the amount of the children's allowance; (f) a **secondary dependant's allowance** should continue to be payable in respect of one dependent parent, brother or sister, provided there was no primary dependant. The allowance should be set at 1 per cent of net base salary plus PA at P-4, step VI, at the staff member's duty station, i.e. one half of the children's allowance, subject to a floor allowance equivalent to 1 per cent of net base salary plus post adjustment at P-4, step VI, in New York. The allowance should be adjusted on the basis of PA changes for the duty station, subject to the above floor provisions *[A/44/30, vol. II, para. 429]*.

By **resolution 44/198**, the GA approved the ICSC recommendation for a change in dependency allowances for disabled children but did not approve the ICSC proposals regarding children's and secondary dependants allowances. It requested ICSC to reconsider the methodology for dependency

allowances in the light of the tax practices of the comparator and to report on this as well as other general issues relating to allowances to the GA at its 45th session.

1992 **35th session (March)**: ICSC considered a review *(ICSC/35/R.10)* of the methodology for the determination of dependency allowances for the P and higher categories, prepared in response to UNGA resolution 44/198. In the context of the comparator's tax methodology, it was noted that the eligibility criteria for primary and secondary dependants used in the common system were markedly different from the requirements of the comparator's tax code, which was based primarily on economic dependency. Under that system, the tax abatement for a secondary dependant was identical to that for a child.If those practices were to be used to determine the level of the secondary dependant's allowance, a substantial realignment of common system eligibility criteria would be required. ICSC considered that it would be more reasonable to maintain the current methodology.

ICSC recommended to the GA that: (a) the current methodology for determining the children's and secondary dependant's allowances for the P and higher categories should be maintained, i.e. the allowances should be computed on the basis of tax abatements and social security payments in the countries of the seven HQ duty stations; (b) the level of the **children's allowance** should be increased by 21 per cent, with effect from 1 January 1993; (c) the level of the **secondary dependant's allowance** should be increased by 50 per cent, with effect from 1 January 1993; (d) the eligibility criteria for the children's allowance and the secondary dependant's allowance should remain unchanged; (e) the present local currency entitlement system for hard-currency duty stations should be maintained.

ICSC further decided: (a) to reaffirm its earlier decision that the amount of dependency allowances should be reduced by the amount of any direct payments received by staff in countries where the Government made direct payments to eligible residents in respect of dependants; (b) that the level of dependency allowances should be reviewed every two years *[A/47/30, paras. 185-193]*.

In **resolution 47/216**, the GA approved the above recommendations with effect from 1 January 1993. It noted that ICSC would review the level of dependency allowances every two years, in order to ensure, *inter alia*, that all relevant changes in tax and social legislation had been taken into consideration.

1994 **39th and 40th sessions (February and June/July)**: ICSC considered the details of the percentage change required in the children's allowance and secondary dependants' allowance based on changes in tax abatement and social legislation for the seven HQ countries between 1991 and 1993 *(ICSC/39/R.10)*. As an alternative to continuing the present local currency entitlement system, proposals were made for a floor system ensuring that the US dollar equivalent of local currency allowances would not fall below the value of the allowances payable in the US dollar area.

ICSC decided: (a) to recommend to the GA that the current level of the **children's allowance** (including the allowance for disabled children) and of the **secondary dependant's allowances** should be increased, effective 1 January 1995, to reflect the 10.26 per cent increase in the value of tax abatement and payments under social legislation at the seven HQ duty stations that had occurred between 1991 and the current review; (b) that the present local-currency entitlement system for hard currency duty stations should be maintained on the basis of an updated list of hard currency duty stations for which local currency entitlements were specified *[A/49/30 paras. 182 and 191; annex IV]*.

By **resolution A/49/223**, the GA approved, with effect from 1 January 1995, an increase of 10.26 per cent in the children's and the secondary dependant's allowances.

1996 **43rd session (April/May):** ICSC considered the percentage change required in the children's allowance based on changes in tax abatement and social legislation for the 7 HQ countries since 1994 *(ICSC/43/R.11)*. It decided: (a) to recommend to the GA that the current level of the children's allowance (including that for disabled children) and the secondary dependant's allowance should be increased effective 1 January 1997, to reflect the 7.98 per cent increase in the value of tax abatement and payments under social legislation at 7 HQ duty stations that had occurred between 1994 and the current review; (b) that the present local currency entitlement system for hard-currency duty stations should be maintained on the basis of the same list of hard-currency duty stations for which local currency entitlements had been specified; (c) that the amount of dependency allowances should be reduced by the amount of any direct payments received by staff in those countries where the Government makes such direct payments to eligible residents in respect of dependants *[A/51/30, paras. 197-208; annex X]*.

In **resolution 51/216**, the GA: (a) approved, with effect from 1 January 1997, an increase of 7.98 per cent in the children's allowance (including that for disabled children) and in the secondary dependant's allowance; (b) noted the updated list of hard currency duty stations *(see A/51/30, annex X).*

1998 **47th session (April/May)**: ICSC considered the details of the percentage change required in the children's and secondary dependant's allowances based on changes in the tax abatement and social legislation for the 7 HQ duty stations between 1 January 1996 and 1 January 1998.

ICSC recommended to the GA that: (a) the children's allowance be increased to reflect the 14.6 per cent increase in the value of tax abatements and social legislation payments at 7 HQ duty stations that occurred between January 1996 and January 1998. Consequently, the revised annual amounts for duty stations in the US and in countries where dependency allowances are fixed in US dollars, would be US$ 1,730 for the children's allowance and US$ 3,460 for the disabled children's allowance; (b) the secondary dependant's allowance also be increased by 14.6 per cent, resulting in a revised annual amount of US $619 for duty stations in the US and in countries where dependency allowances are fixed in US dollars; (c) the current list of duty stations where the allowances are payable in local currencies be maintained. The applicable local currency amounts of the children's and secondary dependant's allowances at those duty stations should also be increased by 14.6 per cent *(for the resulting amounts of these allowances, see annex VI of A/53/30)*; (d) dependency allowances payable to eligible common system staff be reduced by the amount of any direct payments received from a government in respect of dependants and; (e) the revised dependency allowances become effective as from 1 January 1999 *[A/53/30, para. 124]*.

In its **resolution 53/209**, the GA approved an increase of 14.6 per cent in the children's allowance (including that for disabled children) and in the secondary dependant's allowance. The GA also took note of the updated list of hard-currency duty stations for which the allowances were specified and noted that dependency allowances payable to eligible common system staff should be reduced by the amount of any direct payments received from a Government in respect of dependants. The GA requested ICSC to undertake an examination of the methodology, rationale and scope of the allowances in the year 2000.

2000 **52nd session (July/August):** ICSC decided to maintain the children’s allowance and secondary dependant’s allowance as a social benefit and to maintain the current methodology for the determination of dependency allowances for the Professional and higher categories. It decided to recommend to the GA that: (a) the children’s allowance should be increased to reflect the 11.89 per cent increase in the value of tax abatements and social legislation payments at seven headquarters duty stations that had occurred between January 1998 and January 2000; (b) the secondary dependant’s allowance should also be increased by 11.89 per cent; (c) the current list of duty stations where the allowances were payable in local currencies should be maintained. The applicable local currency

amounts of the children's and secondary dependant's allowances at those duty stations should also be increased by 11.89 per cent (for the resulting amounts of these allowances see annex VIII of A/55/30); (d) dependency allowances payable to common system staff should be reduced by the amount of any direct payments received from a Government in respect of dependants; and (e) the revised dependency allowances listed in subparagraphs (a), (b) and (c) above should become effective as from 1 January 2001 *[A/55/30, para.134].*

By its **resolution 55/223,** the GA took note of the decision of ICSC with regard to the methodology, rationale and scope of the allowance. The GA approved, with effect from 1 January 2001, an increase of 11.89 per cent in the children's allowance, including that for disabled children, and in the secondary dependant's allowances. The GA also noted (a) the updated list of hard currency duty stations for which the allowances are specified in local currency *(see A/55/30, annex VIII);* and (b) that dependency allowances payable to eligible common system staff should be reduced by the amount of any direct payments received from a Government in respect of dependants.

2001 **53rd session (April/May):** See section 2.1.140.

2002 **54th session (April/May):** In the context of its biennial review of dependency allowances, ICSC considered document *ICSC/54/R.6* containing details of the percentage change required in the children's and secondary dependant's allowances based on changes in the tax abatement and social legislation for the seven headquarters duty stations between 31 January 2000 and 31 January 2002. ICSC decided to recommend to the General Assembly that: (a) the children's allowance remain at its current level of US$1,936 per annum; (b) the secondary dependant's allowance remain at its current level of US$693 per annum; (c) the current list of duty stations at which the allowances are payable in local currencies be maintained, as well as the applicable local currency amounts of the children's and secondary dependant's allowances at those duty stations; (d) dependency allowances payable to eligible common staff be reduced by the amount of any direct payments received from Governments in respect of dependants *(A/57/30 para. 182).*

In its resolution **57/285**, the General Assembly endorsed the recommendation of ICSC.

2005 **60th session (February/March):** In its review of the pay and benefit system, the secretariat undertook a review of dependency allowances *[ICSC/60/R.4]*. The paper described the evolution and current arrangements with regard to the children's and secondary dependant's allowances and identified issues for the review that ICSC had scheduled, along with that of the spouse benefits, for 2005 under the general review of the pay and benefits system. It also contained proposals for changing some elements of the scheme aimed at improving its simplicity and/or equity. These options included the reintroduction of a flat-rate scheme across duty stations or, alternatively, establishing location-specific allowances either on the basis of post adjustment multipliers or on the average percentage value of total child benefits (legislated payments combined with tax abatements) at the eight headquarters duty stations in relation to the P-4, step VI, net remuneration at those locations. [*ICSC/60/R.13, para.38*].

The Commission had concluded that that over the years the current system of children's and secondary dependant's allowances had functioned to the satisfaction of all parties. It had not seen acceptable proposals to improve its operation, in particular with regard to the local currency denomination scheme, and had therefore decided that the current system be maintained. It had, however, welcomed proposals on improving the local currency denomination scheme at a future date. *[ICSC/60/R.13, para. 53].*

In **resolution 60/544**, the GA decided to defer to its resumed sixtieth session consideration of the report the International Civil Service Commission for the year 2005.

In its review of the pay and benefit system, the secretariat also undertook a review of dependency allowances with respect to spousal benefits *[ICSC/60/R.3]*. The paper described the evolution and the current arrangement with regard to the spousal benefits. It also examined whether the distinction in remuneration between staff with and without primary dependants should be maintained as well as whether the current ratios between single and dependency rates of the base floor/salary scale should be maintained.

The Commission decided to maintain the distinction in remuneration between staff with and without primary dependants. It also decided to maintain the current ratios between the single and dependency rates of the base/floor scale. The Commission decided to report to the Assembly that the contemporary rationale for maintaining dependency and single rates on the base/floor salary scale was directly linked to the practices of Member States that maintain such a differentiation in their own tax systems. The distinction results in higher net salaries for staff with dependants to reflect, inter alia, the additional costs involved with additional dependants as opposed to staff without dependants. This rationale is largely the same as that used by those Member States maintaining such a distinction in their national income tax systems [A/60/30 para.63].

In **resolution 61/239**, the GA took note of the above decision taken by the Commission.

2006 **62nd session (March**): In accordance with earlier decisions of ICSC and the General Assembly, the levels of children's and secondary dependant's allowances were determined on the basis of the value of tax abatements and social legislation payments in the countries of the eight headquarters duty stations and were reviewed every two years. For the 2006 review of the level of the allowances, the Commission had before it data on the changes in tax abatements and social legislation payments, which had occurred in the eight headquarters duty stations since the previous review in 2004 [A/61/30 para.113].

Based on the review, the Commission decided to make the following recommendations to the General Assembly: (a) For staff who became eligible to receive the dependency allowances on or after 1 January 2007, the following amounts would be payable: (i) children's allowance – US$1,780 per annum, (ii) disabled child allowance – US$3,560 per annum, (iii) secondary dependant's allowance – US$637 per annum, (iv) at duty stations where the dependency allowances were expressed in local currency, the revised amounts of the children's and secondary dependant's allowances as shown in *A/61/30 annex V table 1;* (b) For staff who are currently eligible to receive the dependency allowances, the current amounts will continue to be payable as follows: (i) children's allowance – US$1,936 per annum, (ii) disabled child allowance – US$3,872 per annum, (iii) secondary dependant's allowance – US$693 per annum, (iv) at duty stations where the dependency allowances were expressed in local currency, the current amounts of the children's and secondary dependant's allowances as shown in *A/61/30 annex V table 2* would be payable. The dependency allowances would be reduced by the amount of any direct payments received by staff from a government in respect of dependants *[A/61/30 para.126]*.

The Commission also decided to review the methodology for the determination of children's and secondary dependant's allowances at its sixty-fourth session, and requested its secretariat to develop proposals aimed at simplifying and improving the fairness of the system, including those relating to the local currency denomination scheme and the procedure for adjusting the levels of the allowances *[A/61/30 para.127]*.

In its **resolution 61/239**, the General Assembly approved the revised amounts of children's and secondary dependant's allowances as outlined in document *A/61/30 annex V*.

2008 **66th session (March – April):** The Commission had before it a secretariat document (ICSC/66/R.4) prepared in response to the Commission's request to review the methodology for the children's and secondary dependant's allowances and develop proposals aimed at simplifying and improving the fairness of the system including those relating to the local currency denomination scheme and the procedure for adjusting the levels of the allowances.

Two options for setting and adjusting the children's allowance were proposed [ICSC/66/R.4, para.48]. After discussion, the Commission approved a new methodology and decided to inform the General Assembly that: (a) the children's allowance should be established as a global flat-rate amount calculated as the average of the United States dollar amounts of child benefits at the eight headquarters duty stations weighted by the number of staff at those locations; (b) at the time of its implementation, the United States dollar amount of the allowance would be converted to local currency using the official United Nations exchange rate and would remain unchanged until the next biennial review; (c) the flat amount would be recalculated on the same basis at the time of every subsequent review; (d) the secondary dependant's allowance should be established at 35 per cent of the proposed children's allowance; and (e) as a transitional measure, where, at the time of implementation, the revised flat-rate allowance was lower than the one currently in effect, the allowance payable to currently eligible staff would be equal to the higher rate reduced by 25 per cent of the difference between the two rates; if during the next review of the allowance, that rate remained above the newly revised flat rate, a further reduction equal to 50 per cent of the difference would be applied. The transitional measures would come into effect as of 1 January 2009 and would be discontinued as of 1 January 2013.

67th session (July): The levels of the children and secondary dependant's allowances were reviewed based on the newly revised methodology approved by the Commission at the 66th session.

The amount of those allowances were recalculated and the Commission decided to recommend to the General Assembly that as of 1 January 2009: (a) the children's allowance should be set as a global flat-rate amount of $2,686 per annum and the disable children's allowance should be double that amount, i.e., $5,372 per annum; (b) the secondary dependant allowance should be set at $940 per annum; (c) at hard currency locations, the United States dollar amount of the allowance, as established in (a) and (b) should be converted to local currency using the official United Nations rate of exchange, as at the data of promulgation and should remain unchanged until the next biennial review; (d) as a transitional measure, where, at the time of implementation, the revised flat-rate allowance was lower than the one currently in effect, the allowance payable to currently eligible staff would be equal to the higher rate reduced by 25 per cent of the difference between the two rates; if that transitional rate remained above the one set as of 1 January 2011, a further reduction equal to 50 per cent of the difference between the transitional rates set in 1 January 2009 and the rate of the allowance set for 1 January 2011 would be applied. Such transitional measures would be completely discontinued as of 1 January 2013; (e) the dependency allowances should be reduced by the amounts of any direct payments received by staff from a Government in respect of dependants.

In **resolution 63/251** the General Assembly approved with effect 1 January 2009, as recommended by the Commission, the revised flat allowance and the transitional measures referred to in its annual report [see A/63/30, paras. 119 and 129].

2010 **71st session (July/August)**: Following the revisions in the tax and social legislation payments that were made in the eight headquarters duty stations since the last review in 2008, the allowances of children and secondary dependents were updated based on the revised methodology for children's allowance approved by ICSC at the sixty-sixth session.

The amounts of those allowances were recalculated and the Commission decided to recommend to the General Assembly that as of 1 January 2011:

(a) The children's allowance should be set as a global flat-rate amount of $2,929 per annum and the disable children's allowance should be double that amount, i.e., $5,858 per annum;

(b) The secondary dependent allowance should be set at $1,025 per annum;

(c) At hard currency locations, the United States dollar amount of the allowance, as established in (a) and (b) should be converted to local currency using the official United Nations rate of exchange, as at the data of promulgation and should remain unchanged until the next biennial review;

(d) As a transitional measure, where, at the time of implementation, the revised flat-rate allowance was lower than the one currently in effect, the allowance payable to currently eligible staff would be equal to the higher rate reduced by 50 per cent of the difference between the two rates;

(e) The dependency allowances should be reduced by the amounts of any direct payment received by staff from a Government in respect of dependants.

In **resolution 65/248**, the General Assembly approved with effect 1 January 2011, as recommended by the Commission, the revised children's and secondary dependant's allowances and the transitional measures relating thereto, referred to in its annual report [A/65/30, para.162].

2012 **75th session (July):** In the context of its biennial review of dependency allowances for the Professional and higher categories, the Commission considered the levels of children's and secondary dependants' allowances. In accordance with the revised methodology approved by the Commission in 2008, the children's allowance is calculated as a global United States dollar flat rate reflecting the levels of child related tax deductions and social legislation payments at the eight headquarters duty stations at the reference income level of P-4, step VI, weighted by the number of staff at those locations. The proposed level of the children's allowance amounted to $3,401 per year. The proposed secondary dependants' allowance, set at 35 per cent of the children's allowance, amounted to $1,190 per year.

During the discussion, the Human Resources Network and the staff federations concurred with the proposals. At the same time, they raised concerns over the exchange rate to be used to convert the child allowance to local currencies. On the other hand, the members of the Commission identified a number of issues with the methodology for calculating the child allowance such as: (1) the dominant effect of larger duty stations, Geneva in particular, on the final result; (2) the automaticity of the adjustment procedure that left no room for consideration of any additional factors; (3) the rationale for basing the amount of the children's allowance on the eight headquarters locations; (4) the grounds on which the benefit for the first dependant child of single staff is derived from eligibility of such staff to receive the dependency rate of pay.

The Commission decided to: (a) request its secretariat to conduct a comprehensive review of the dependency allowances methodology taking into account the views expressed by the Commission and to report on its findings to ICSC at its seventy-sixth session; (b) defer its consideration of the levels of the children's and secondary dependants' allowances until its seventy-seventh session.

2013 **76th Session (February/March):** The Commission had before it a secretariat document (ICSC/76/R.5) prepared in response to the Commission's concerns regarding the current methodology to determine the allowance level. In the report, the secretariat explored and proposed several alternative approaches for the Commission's consideration. The Commission was invited to decide on:

(a) the method to construct relative weights for calculating a weighted average of child's benefits prevailing at the eight headquarters duty stations; (b) the use of additional statistics as an indicator of the overall trend in the provision of child benefits; (c) the timing of using exchange rates to convert the United States-dollar flat rate to local-currency equivalents and present them to the General Assembly for its approval. The Commission **decided**: (a) to take note of the study undertaken by its secretariat on the methodology; (b) to use both, the weighted average of the eight headquarters duty stations and the general trend in growth rates of child benefits, as factors to adjust the allowance; (c) to inform the General Assembly that the methodology for children's and secondary dependant's allowances will be considered within the framework of the broader review of the common system compensation package; (d) to recommend to the General Assembly to maintained the current levels of the children's and secondary dependant's allowances.

In **resolution 68/253**, the GA took note of the Commission's decision to keep the methodology review within the framework of the broader review of the common system compensation package and approved the recommendation of the Commission to maintain the current levels of the children's and secondary dependants' allowances.

2015 **81st Session (July):** As part of **the comprehensive review** of the compensation package for staff in the Professional and higher categories, conducted by the Commission between its 76th to 81st sessions (March 2013 to July 2015), the Commission recommended to the General Assembly that one net salary scale be introduced for all staff in the Professional and higher categories without regard to family status. As a result, support provided for dependent family members would be separated from salary. In addition, in order to ensure that the support of the organization in relation to dependants is better targeted, some changes to the eligibility criteria for such assistance were also put forward. Under the proposals, dependent spouses would be recognized through a spouse allowance at the level of 6 per cent of net remuneration. That proportion was based on the difference in net pay as a result of taxes between a single and a married taxpayer in the United States. Staff with non-dependent spouses, previously in receipt of the dependency rate salary by virtue of a first dependent child, would instead receive the child allowance. (A/70/30, para 210)

In its **resolution 70/244** the General Assembly **approved** the establishment of a dependent spouse allowance at the level of six per cent of net remuneration. In addition, it **decided** that staff members who are single parents and who provide main and continuous support for their dependent children would receive an allowance in respect of the first dependent child, at the level of six per cent of net remuneration (provided in lieu of the child allowance). (A/RES/70/244, section III, paras 17-19).

2017 85th session (July): In accordance with the schedule adopted at its eighty-third session, the Commission examined the methodology for the dependent children's and secondary dependant's allowances. The Commission had before it a number of proposals for the revision of the methodology to reflect the relevant developments that had taken place since the last review in 2008, the most notable of which were the introduction of a revised compensation package for the Professional and higher categories of staff and the expansion of the common system, resulting in the addition of two locations at which new organizations were headquartered (A/72/30, para 134). In this respect, the following four areas for revision were proposed for consideration by the Commission:

1. A review of the reference income level at which applicable child benefit data were collected for the purpose of calculation;
2. A review of the reference locations in light of the expansion of the common system to ten headquarters locations;
3. A review of the timing and mechanism of conversion of global flat-rate amounts of the children's and secondary dependant's allowances;

4. An option to set varied allowance amounts according to location and staff grade (ibid, para 135).

The Commission noted that while in general the methodology had functioned well during the six decades of its existence, a few changes had been introduced to it over the years and only when fully warranted. From that perspective, while the Commissions saw merit in most of the proposals, none of them seemed free from certain drawbacks (ibid, para. 138). At the same time, the Commission recognized the need to align the children's allowance calculation procedure with the new salary structure in terms of the reference salary level at which child benefits were compared, but did not reach consensus as to whether spouse allowance should be taken into account in the process (ibid, para 143). In this respect, the Commission requested the calculation results with regard to two options for the reference income level to be provided during the review of the level of allowance: one based on the unified salary rate only, and one that also included the spouse allowance. The Commission decided to maintain the current methodology for the dependent children's allowance keeping the methodology under review and reverting to it as appropriate (ibid, para 144).

2018 ***87th session (July):*** In response to the Commission's request at its 85th session (A/72/30, para 144), the child allowance was recalculated using the unified salary rate with and without the spouse allowance (ICSC/87/R.7).

The Commission recognized that the calculation had been done in accordance with the approved methodology and reflected the fact that child allowance had gone up at most of the reference locations. With respect to the two options, the Commission noted that the inclusion of the spouse allowance in the calculation would establish the children's allowance level with reference to the child benefit received by married couples, whereas the use of the unified salary rate alone would reference the benefit received by those who were single parents. It was noted that many national governments provided greater assistance to single parents through social legislation payments or tax systems, which resulted in in higher amounts. At the same time, the Commission observed that the new common system compensation package recognized single parents through a separate allowance which was set higher than the standard children's allowance, and thus the children's allowance should not replicate the single parents' allowance.

The Commission noted that the child benefit had increased in five out the eight locations. It was therefore suggested that the proposed increase be adjusted proportionately, by a ratio of five to eight, resulting in an allowance of $3,666 per annum. The Commission acknowledged that a significant increase in the allowance level was because the level had not been adjusted since 2010 while the amounts of child-related benefits provided by governments at the reference locations continued to grow.

With respect to the methodology, it was recommended that possible ways of further reducing the dominance of larger locations in the overall result should be explored during the next review of the methodology (*A/73/30, para 97).*

The Commission recommended to the General Assembly that as of 1 January 2019:

(a) The children's allowance be set at US $3,666 per annum and the allowance for children with disabilities at US $7,332 per annum;

(b) The secondary dependant's allowance be set at US $1,283 per annum;

(c) The United States dollar amount of the allowance, as established in subparagraphs (a) and (b) above, be converted to local currency using the official United Nations exchange rate as of the date of implementation and remain unchanged until the next biennial review;

(d) The dependency allowances be reduced by the amount of any direct payments received by staff from a government in respect of dependants.

The Commission decided to revisit the methodology for establishing the children's allowance prior to the next review of the allowance level.

The General Assembly did not take action on the proposal.

2020 **90th session (October):** The Commission decided in 2018 to revisit some aspects of the methodology to establish the children's allowance, including the weighting technique to calculate the overall average amount of the children's allowance (see A/73/30, para. 97), as well as the application of the general trend in the evolution of child-related benefits (see A/73/30, para.101). Document ICSC/90/R.6 contained the following elements for the Commission's consideration: 1) levels of the dependency allowances calculated on the basis of the existing methodology; 2) an alternative method for calculating the allowances by using the geometric mean as an averaging technique; and 3) application of the general trend.

During the discussion, participants noted that the allowance had not been updated in almost 10 years resulting in a proposal to increase the level by 49 per cent based on the existing methodology. With respect to the use of geometric mean, it was noted that the geometric mean was less sensitive to outliers and could prove useful when applied to smaller datasets. At the same time, the geometric mean did not accept zero values, which was concerning if the child benefit were to be phased out or discontinued in any of the reference duty stations. Most members were of the view that the existing methodology had worked well and that it provided, along with the review of the trend in the benefit evolution, a reasonable basis for the Commission's deliberations (A/75/30, para 101).

The average change in child-related benefits in reference locations amounted to 10 per cent. Accordingly, a 10 per cent increase in the allowance level was proposed. The financial implications were estimated at $11.3 million. It was noted that the level and the methodology for the allowance might have to be reviewed again in two years (A/75/30, para 104).

The Commission decided to maintain the current methodology for calculating the children's allowance. The Commission also decided to recommend to the General Assembly that, as of 1 January 2021:
(a) The children's allowance be set at $3,222 per annum and the disabled child allowance be set at $6,444 per annum;
(b) The secondary dependant's allowance be set at $1,128 per annum;
(c) At hard-currency duty stations, the United States dollar amount of the allowances, as established in subparagraphs (a) and (b) above, be converted to the local currency using the official United Nations exchange rate as of the date of promulgation and remain unchanged until the next biennial review, regardless if there is an update to the level;
(d) The dependency allowances be reduced by the amount of any direct payments received by staff from a government in respect of dependants.

The General Assembly did not take action on the proposal.

SECTION 3.30
DEPENDENCY ALLOWANCES (GENERAL SERVICE AND RELATED CATEGORIES)

1977 **5th session (February/March)**: ICSC dealt with the question of how dependency allowances should be adjusted. It reaffirmed the conclusion stated in its previous report to the GA that the amounts of dependency allowances for the General Service category should continue to be determined in the light of local conditions. The elements to be taken into account in the case of Geneva were: (a) the amounts of allowances for dependent children provided by Swiss legislation (no allowances being provided for a dependent spouse); (b) the tax abatements allowed on account of a dependent spouse and/or of dependent children *[A/32/30, para. 189]*.

1978 **8th session (July)**: In compliance with its mandate under article 11 (b) of its statute, ICSC considered the level of dependency allowances payable to staff in the GS category in Paris. Having examined the amounts of family allowances payable under the French social security legislation and the tax abatements allowed on account of dependants, ICSC recommended the rates of family allowances with effect from 1 January 1979 *[A/33/30, para. 307]*.

1979 **10th session (August)**: ICSC considered the level of dependency allowances payable to staff in the GS category in Montreal. It adopted a methodology for the determination of family benefits and recommended a revised scale of family benefits to be introduced concurrently with the revised scales of salaries *[A/34/30, para. 153]*.

ICSC also reviewed the dependency allowances (for spouse, children and secondary dependants) for the GS category. It recalled that when it had made its first survey of best prevailing local conditions in Geneva in 1976, it had also indicated the appropriate rates for spouse allowance and children's allowance for that location. Likewise, ICSC had included in its reports on the Paris and London surveys, rates for dependency allowances in those duty stations. The question was then raised whether the rates, having been set by ICSC, could be adjusted only by ICSC, which would apparently mean that they would be adjusted only once every four or five years when salary surveys were carried out. In at least two of the HQ duty stations surveyed, the rate of increase in corresponding outside allowances had been so fast that a four-year wait before adjusting the inside rates would be inequitable *[A/34/30, para. 166]*.

ICSC agreed that, until it had an opportunity to review the general pattern of rates of dependency allowances, it would resolve the difficulty and at the same time avoid the risk of a challenge that dependency allowance rates in any duty station had not been legally fixed because ICSC had not fixed them, if it exercised its responsibility in this respect under article 11 by establishing the methods according to which these allowances should be determined. It would then entrust to the organizations concerned the responsibility for fixing and adjusting the actual rates of the allowances in duty stations other than HQ duty stations and for adjusting them in HQ duty stations. The said organizations would continue to apply the methodology they had been applying up to the present time (taking into account essentially tax reductions and social security payments granted in respect of dependants) until ICSC had had an opportunity to review the criteria within the framework of the above-mentioned review *[A/34/30, para. 168]*.

1980 **11th session (February/March)**: In compliance with its mandate under article 11 (b) of its statute, ICSC also considered the level of dependency allowances payable to staff in the GS, Manual Workers and Security Service categories in New York. Considering that the dependency allowances should be fixed by reference to tax abatements under Federal, New York State and New York City income tax legislation, with account being taken of the practice of many outside employers to subsidize medical and dental insurance premiums in respect of their employees' dependants, ICSC established a revised

scale of dependency allowances to be introduced concurrently with the revised scales of salaries *[A/35/30, para. 202]*.

In **resolution 36/233**, the GA requested a review of dependency allowances for all categories of staff.

1982 **15th session (March)**: ICSC decided that: (a) the **children's allowance** should operate as a social benefit with a floor amount specified for those local areas which did not have a local practice or where that local practice produced an amount below the floor. Where a local practice existed and produced an amount above the floor amount, the local practice amount would prevail; (b) the allowance should be established as a flat rate which, as a proportion of pay, would provide a relatively greater value to employees at lower pay scales than at higher pay scales. The allowance should be established on a duty station-by-duty station basis and, where local practice existed, it should continue to be measured as the sum of amounts paid by Governments, relief through tax abatement and amounts paid by employers; (c) the amount of the children's allowance should be uniform in respect of the age of the child or the number of children, but where local practice existed and there were significant differences based on the age of the child, the number of children, or other factors, which were of a nature or magnitude making averaging inappropriate, some differentiation would be correct; (d) the amount of the children's allowance should be set in relation to the midpoint of the local published salary scale, excluding extended GS levels, as opposed to the current practice based on the minimum of the salary scale. The social benefit amount of the children's allowance should be established on 1 July 1982 based on a percentage relationship of 3 per cent. Since the percentage relationship of the children's allowance to the midpoint of the salary scale for those areas where a local practice existed would change over time, ICSC decided to review that percentage relationship every three years; (e) ICSC decided to increase the allowance to the floor amount for those duty stations where the allowance fell below the floor; for those duty stations where the amount of the allowance determined according to local practice fell above the floor, ICSC decided that the allowance so determined should be used unless, at a future date, the social benefit amount surpassed the local practice amount, at which time the social benefit amount should be used; (f) where local practice determined the allowance amount, it would be reviewed annually in conjunction with pay scale reviews, or at the time significant changes occurred in the local social security or tax abatement laws, but in any event should not be adjusted unless the local practice amount required a change of at least 5 per cent in the amount of the allowance *[A/37/30, para.210]*. ICSC also decided in principle that the **limit of payment** of the **children's allowance for the GS category to six children** should be removed but at the same time did not want to commit itself to such a decision until it had had an opportunity to review the definition of what constituted a dependent child of a staff member. Noting further the practices followed in some national civil services which paid allowances and travel for two or three children only, ICSC decided to maintain the *status quo* but to keep the matter under review *[A/37/30, para. 215]*.

ICSC agreed that the **spouse allowance** should be tied exclusively to local practice. In the determination of the amount of the allowance, it agreed that: (a) legal allowances, tax abatement rates and the practice of surveyed employers should be taken into account; (b) adjustments to the allowance should normally be made at the time of the survey. Where changes in legal or tax provisions which resulted in a substantial impact on the amount of the allowance, interim adjustments between salary surveys should be made effective on the date of such change; (c) if the amount of the allowance determined at the time of a survey or as a result of changes in legal or tax provisions was lower than the amount in effect at the time of the revision, the higher amount should continue to remain in effect, until surpassed by the results of future revisions *[A/37/30, para. 221]*.

1983 **18th session (July/August)**: ICSC examined documentation submitted by its secretariat summarizing the history of the **secondary dependant's allowance** as applied to both categories of staff as well as the details of current practices of the organizations. ICSC examined the proposals of FICSA and CCISUA that the secondary dependant's allowance should be considered as a social benefit applicable

to GS staff at all duty stations irrespective of local practice. ICSC noted, however, that local practice called for the payment of the allowance in only a small number of countries (approximately 15), and the practice, therefore, could not be considered as universally applicable. Consequently, it did not find any justification to consider the allowance as a social benefit applicable at all duty stations irrespective of local practice *[A/37/30, paras. 85 and 86]*.

ICSC also considered the possibility of establishing the eligibility for the secondary dependant's allowance of staff in the GS and related categories by reference to local practice. Before it undertook an examination of the possibility of establishing eligibility criteria by reference to local practice, ICSC felt it must have additional information with regard to local laws for countries where there were large concentrations of UN staff members in receipt of a secondary dependant's allowance by reference to local practice and also as regards the financial implications resulting from a change in the method used for establishing eligibility. It therefore requested CCAQ to collect such data, including information on the financial implications of any changes in practice, and submit them to the ICSC at its 20th (July 1984) session *[A/38/30, paras. 90 and 91]*.

Pending that examination of the matter, ICSC agreed that the universal eligiblity criteria currently used by the organizations should continue to be applied in the case of both categories of staff at all duty stations. As regards the determination of the amount of the allowance, ICSC agreed that the current practice of determining the amount of the allowance by reference to local practice using data collected at the time of GS salary surveys should be maintained. ICSC noted that adherence to its decision with regard to the payment of the allowance at only those duty stations where local practice called for such payment would require that the allowance not be paid at some duty stations where it was currently being paid. It also noted that adherence to universal criteria would require that certain secondary dependants not be considered as eligible, although they were currently being considered as eligible by some organizations at certain duty stations. In both cases ICSC expressed the view that, while those in receipt of the allowance might continue to receive it in future, all staff members joining the organizations with effect from 1 September 1983 should be considered as eligible for the purposes of the payment of secondary dependant's allowance within the framework of local practice and the criteria decided upon by ICSC *[A/38/30, paras. 92-94]*.

1988 **27th and 28th sessions (March and July)**: ICSC examined the current status of the children's, spouse and secondary dependant's allowances for all categories of staff. With respect to the GS and related categories, It decided that: (a) the "social benefit floor" formula for the determination of the children's allowance would be maintained at 3 per cent of the midpoint of the local salary scale; (b) payment of the children's allowance would continue to be limited to a maximum of six children where the formula referred to in (a) above applied; (c) the percentage of the midpoint of the local salary scale used to determine the "social benefit floor" amount of the children's allowance would, in principle, be reviewed every five years; (d) the allowances should be reviewed at the time of interim adjustments of salary scales and revised, if warranted, as of the date of implementation of the resulting salary scales; (e) the existing requirement for a minimum movement in individual dependency allowances as a prerequisite for their adjustment would be eliminated, with effect from the first interim salary adjustment after 1 June 1988 *[A/43/30,paras. 78 and 81]*.

1990 **32nd session (July/August)**: ICSC examined the implications of the decisions of the GA arising out of the comprehensive review of conditions of service of the staff in the P and higher categories as they related to the GS and related categories, and decided to recommend to the organizations that the children's allowances in respect of **disabled children** for the GS and related categories should be set at double the normal amount of the children's allowance applicable for those categories, with effect from 1 July 1990.

Where the disabled child was the first dependant and generated a higher amount of the allowance, the amount paid would be double the amount of the regular allowance, not of the higher amount *[A/45/30, paras. 224 and 235]*.

1997 **45th session (April/May)**: As part of the review of the GS survey methodologies, the issue of the basis for the dependent children's allowance arose in the Working Group established by ICSC to assist it in its review. The Working Group noted that the item was not part of the current survey methodologies and proposed that it be placed on ICSC's work programme for a preliminary consideration at its spring (1997) session *[A/52/30,para. 141]*. ICSC noted that the children's allowance for GS staff continued to be established on the basis of either local practice or social benefit policy. It considered that the issue at hand was the reasonable level of the allowance in the context of a social benefit policy. It recognized that various initiatives of the organizations with regard to family and work issues would form the context in which this item was to be addressed.

ICSC did not consider that it was in a position to address all relevant issues at its current session. ICSC noted, however, that a considerable number of years had passed since the floor formula had been set in 1982. Accordingly, it would be expected that a review of the current 3 per cent level would be required. Based on a calculation equivalent to that of 1982, the revised floor formula should be 2.5 per cent of the mid-point of the local salary scale *[A/52/30, paras. 146-149]*.

ICSC decided that: (a) the "social benefit"/local practice approach to the determination of the children's allowance for GS staff should be maintained; (b) the methodology for the determination of the dependency allowances for GS staff should not be incorporated into the survey methodologies; (c) the floor formula should be revised to 2.5 per cent from the current 3 per cent of the mid-point of the local salary scale; (d) GS children's amounts in effect as at 31 December 1997 would continue to be in effect until the scale of net salaries was revised as a result of either a comprehensive GS salary survey or an interim adjustment with effect from 1 January 1998; (e) on the occasion of an adjustment of the GS salaries resulting from either a comprehensive salary survey or an interim adjustment, the revised floor formula in subparagraph (c) above would be applied; (f) if the children's allowance based on subparagraph (e) above were equal to or higher than that in effect on 31 December 1997, then the revised children's allowance would be used. However, if the children's allowance based on subparagraph (e) above were lower than that in effect on 31 December 1997, then the latter would continue to be used until the procedure in subparagraph (e) or the calculation based on local practice produced a children's allowance that was equal to or higher than that in effect on 31 December 1997; (g) it would place the item on its 1999 work programme for further review *[A/52/30, para. 150]*.

By **resolution 52/216**, the GA endorsed the above conclusions and decisions of ICSC.

SECTION 3.40
ASSIGNMENT ALLOWANCE [DISCONTINUED AS OF JULY 1990]

1956 On the recommendation of the 1956 Salary Review Committee, the assignment allowance was introduced to compensate staff members assigned to a particular duty station for a fixed term of up to five years when removal of household effects was not paid for by the organization. The allowance was established as a fixed annual amount, differentiated by grade and by dependency status. The 1971-1972 Special Committee noted that, the amounts of the allowance not having been increased since 1954 (though the average cost of living had increased by 50 to 60 per cent), the allowance was no longer sufficient at duty stations where a strong incentive was needed. It recommended that the allowance continue to be paid as compensation for non-removal of household effects, but that two rates should be introduced: a reduced rate for HQ and comparable duty stations (where the allowance should be paid for assignments of less than two years) and a higher rate for all other duty stations (where it should be paid for the duration of the assignment) *[A/31/30, para. 296]*.

1976 **3rd session (March)**: In the context of the overall review of the salary system, ICSC recommended no change in the amounts of the allowance but declared its intention of reviewing them whenever necessary *[A/31/30, para. 300]*.

1978 **8th session (July)**: ICSC noted that the assignment allowance was payable to staff members in the P category and above assigned to a duty station outside their home country, either on a fixed-term appointment or temporary assignment of one year or more but less than two years (for which removal of household effects would not as a rule be authorized) or for appointments or assignments of two to five years instead of removal of household effects (usually at field duty stations). It might be extended beyond the original period when the appointment or assignment was extended but was not paid for more than five years in respect of service at one duty station *[A/33/30, para. 266]*.

ICSC confirmed the dual justification for the allowance, primarily as a compensation for the non-removal of household effects and, subsidiarily, as an incentive to service in the field *[A/33/30, para. 271]*.

Acting under article 11 (b) of its statute, ICSC decided that, when staff members who had been in receipt of assignment allowance were maintained in the same duty station at the initiative of the organization (either because it wished them to remain there or 1/ Discontinued as of 1 July 1990. because it was not in a position to transfer them elsewhere) beyond the initial period of five years, staff members should be entitled to continue to receive the assignment allowance for a further finite period not exceeding two years for which the assignment to that duty station was renewed by the organization. At the expiry of that one further finite period of assignment, the allowance should no longer be payable *[A/34/30, para. 275]*.

In **resolution 33/119**, the GA invited ICSC to reconsider its intention to extend the assignment allowance from five to seven years.

1979 **9th session (February/March)**: ICSC considered the GA request. It observed that the measure it had taken was not a blanket extension of the period of entitlement to the allowance: (a) it was to apply only to staff in field duty stations; (b) if a staff member in a field duty station did not wish to be moved after five years, the organization would be under no obligation to extend the entitlement to assignment allowance, since the extension would be authorized only when it was at the organization's initiative that the staff member was maintained at the same duty station beyond five years: it would suffice to establish that the organization was acceding to staff members' own wishes by allowing them to remain

at the duty station; (c) the maximum extension was limited to one period, not exceeding two years, the duration of which must be defined at the time the extension was granted *[ICSC/R.168, para. 100]*.

Accordingly, ICSC decided to confirm its previous decision and, in accordance with article 25 of its statute, approved the following text promulgating its decision, together with the decision regarding conditions of the installation grant which it took in the same context at its 8th session:

"A. With effect from 1 April 1979, the conditions of entitlement to the assignment allowance shall be modified to provide that when a staff member serving at a duty station outside Europe and North America who has been in receipt of the assignment allowance is maintained at the same duty station, by the initiative of the organization, beyond a continuous duration of five years, the organization may authorize extension of the period of entitlement to the assignment allowance for a single finite period not exceeding two years. Such extension shall be in lieu of entitlement to removal of household goods to the duty station. No further extension may be granted.

"B. With effect from 1 April 1979, the conditions of entitlement to the installation grant shall be modified to provide (a) that the entitlement for a staff member not accompanied by dependants at the duty station shall be 30 days of daily subsistence allowance at the standard rate (the provision for exceptional extensions being similarly unified at 90 days); (b) that the lump sum amount payable only in duty stations outside Europe and North America be $300 for the staff member and for each dependant accompanying him or her to the duty station, up to a total of four persons (including the staff member)."

In view of the doubts which had been expressed, ICSC decided to keep under review the consequences of this measure and requested the organizations to provide information on the number, cost and justification of extensions granted beyond the normal five-year limit *[A/34/30, para. 30]*. The GA took no further action on this matter.

1982 **16th session (July)**: ICSC considered a proposal by CCAQ to increase the amount of the assignment allowance which had been fixed since 1 January 1975. It decided to increase existing provisions by 50 per cent with effect from 1 January 1983 *[A/37/30, para. 236(b)]*. The new rates were as follows:

	Single rate	Dependency rate
Europe and North America		
P-1 to P-2	$1,200	$1,500
P-3 to P-4	$1,425	$1,800
P-5 and above	$1,650	$2,100
All other duty stations		
P-1 to P-4	$2,400	$3,000
P-5 and above	$2,850	$3,600

By **resolution 37/126**, the GA noted the above decision.

1987 **26th session (July)**: ICSC considered proposals submitted by CCAQ and FICSA *[A/42/30, para. 200]*. It decided that: (a) for staff members at P-1 and P-2 levels assigned to duty stations in Europe, the US

and Canada, the basic amounts of assignment allowance would be raised to $1,425 (S) and $1,800 (D) respectively. Consequently, the same amounts of assignment allowance would become applicable to all staff members in grades P-1 to P-4 assigned to duty stations in Europe, the US and Canada; (b) at duty stations outside Europe, the US and Canada, assignment allowance amounts would be increased to the following levels for staff members meeting the requirements outlined under paragraph (c) below:

P-1 to P-4 P-5 and above

Dependency rate $7,200 $7,800
Single rate $4,500 $4,950

(c) the eligibility criteria with respect to the assignment allowance for staff members assigned to duty stations in Europe, the US and Canada would remain the same as had been defined by ICSC earlier. With respect to staff assigned to field duty stations, the entitlement to an assignment allowance enhanced by a **mobility element** would be based on the following principles: (i) staff eligible for the assignment allowance who were serving at their initial duty station or who had been assigned to a second or subsequent duty station but who had less than five years of uninterrupted service with the system would receive the basic level of assignment allowance; (ii) staff eligible for the assignment allowance who were serving at their second or subsequent duty station and who had five or more years of uninterrupted service with the UN common system would receive a level of the assignment allowance that incorporated a mobility element for a fixed period of up to four years for each assignment. The period of entitlement could be extended for another year if the organization decided that the staff member concerned must, due to the exigencies of the service, remain for another year at the duty station. If staff members at a particular field duty station ceased to qualify for the mobility level, they would revert to the basic level of assignment allowance for the remaining period of eligibility at that duty station up to a maximum of two years; (d) in exceptional circumstances, the above system of two levels of assignment allowance could be extended to staff serving in technical cooperation and humanitarian programmes in field duty stations in Europe, provided sufficient documentary evidence establishing the need for such extension were provided to executive heads; (e) the implementation date for the changes outlined above would be 1 January 1988.

Transitional measures would be applied for the purposes of phasing in the enhanced level of the assignment allowance including the mobility element *(A/42/30, para. 210)*.

By **resolution 42/221**, the GA took note of the action taken by ICSC to introduce into the assignment allowance a financial incentive for mobility, for phased implementation with effect from 1 January 1988.

1989 **30th session (August)**: As part of the package of measures deriving from the comprehensive review, ICSC recommended to the GA a mobility and hardship scheme which subsumed the assignment allowance (see sections 3.1.80 and 3.1.90) *[(A/44/30, vol. II, para. 333(a)]*.

The GA, by **resolution 44/198** approved the recommendations with effect from 1 July 1990. The assignment allowance was discontinued as of that date.

SECTION 3.50
NON-RESIDENT'S ALLOWANCE AND RENTAL SUBSIDY (GENERAL SERVICE STAFF)

1977 **5th session (March)**: ICSC decided to review the principles and conditions governing the non-resident's allowance (NRA) and therefore recommended no change in the meantime as regards Geneva *[A/32/30, paras. 189 and 191]*.

1981 **13th session (February/March)**: ICSC approved a phased approach to the review of the principles and methods for application of the principles for determining conditions of service of the GS and other locally recruited categories. It included the NRA as part of the second phase of its review *[A/36/30, para. 124]*.

1982 **16th session (July)**: ICSC examined a document submitted by CCAQ which provided an historical perspective of the allowance, described the current practice in its application and provided statistics on the number of staff members receiving the allowance and its levels at the different duty stations *[A/37/30, paras. 167 and 168]*. It noted that, during its conduct of surveys of best prevailing conditions of employment for staff in the GS and related categories it had collected no information on the level of expatriate benefits provided by the outside employers. Such information should be collected in the forthcoming GS salary surveys and reported to ICSC as part of the comprehensive study on this subject. ICSC decided to: (a) reaffirm the principle that staff recruited to positions in the GS category be locally recruited. Only in exceptional circumstances should GS staff be recruited non-locally; (b) request its secretariat to take into account the analysis and statistics reported by the organizations which would be undertaken on a duty station by duty station basis and to make proposals at the 18th session which would enable ICSC to provide guidelines to the organizations concerning the administration of the NRA and the determination of the amount of the allowance *[A/37/30, paras. 177 and 178]*.

1983 **18th session (July/August)**: ICSC, on the basis of a document prepared by its secretariat, considered the methodology for establishing and maintaining the NRA. The secretariat had proposed that the NRA be established by comparison with the assignment allowance granted to staff in the P and higher categories and that it should be of fixed duration, non-pensionable and regional in concept *[A/38/30, para. 55]*. ICSC recalled its decisions concerning the NRA reported in its 8th annual report (see above), and in particular that staff recruited to positions in the GS category should be locally recruited. Only in exceptional circumstances should GS staff be recruited non-locally. ICSC decided that: (a) the level of the NRA should be set by comparison with the assignment allowance for staff in the P category serving in locations outside Europe and North America; (b) the allowance should be differentiated by dependency status and should be $2,400 per annum for a single staff member and $3,000 per annum for a staff member with dependents; (c) the allowance should be granted for a fixed duration of five years, from the time of arrival at a designated duty station; (d) the allowance should be non-pensionable. As regards the application of the methodology ICSC decided that the non-resident's allowance should be established at designated duty stations in Africa, Asia and the Near East. The level of the allowance in duty stations in Europe, North and South America should be set at zero in respect of new recruits. The list of duty stations should be reviewed annually and changes made based on proven recruitment difficulties as well as difficulties in inducing staff to work at a given location. ICSC delegated to its Chairman the responsibility for promulgating and approving such changes *[A/38/30, para. 59]*.

Initial list of duty stations where the non-resident's allowance would be granted

Accra Cotonou Lusaka
Addis Ababa Dhaka Manila

Alexandria Kabul Maseru
Baghdad Kathmandu Mogadiscio
Bamako Kinshasa Nairobi
Brazzaville Lagos Ouagadougou
Yaounde

[A/38/30, para. 64]
ICSC further decided that there was an urgent need to consider the problem of high rentals faced by some non-locally-recruited staff members in those duty stations where a non-resident's allowance would not be granted. It instructed its secretariat to prepare a full study and final proposals on such problems for its 19th session. Pending receipt of such proposals, ICSC agreed, on a trial basis only, to grant a rental subsidy to such staff members provided that: (a) such a subsidy be granted only at duty stations where the NRA was set at zero level; (b) the subsidy be granted only to those GS staff who have been recruited internationally; (c) all the rental subsidy modalities applying to headquarters' P staff be used to establish such a scheme, including the eligibility criteria; (d) the subsidy should not exceed the amount of the NRA as proposed, i.e., $2,400 per annum for a single staff member and $3,000 per annum for a staff member with dependents. The effective date of implementation of the above decisions would be 1 September 1983 *[A/38/30, para. 61]*. ICSC also requested the organizations to report to it at its 22nd session on the implementation of the new methodology for applying the NRA. ICSC noted that its decisions in respect of these matters did not have financial implications for the common system as a whole and that the new methodology for the NRA should result in long-term savings for the common system *[A/38/30, para. 64]*.

The GA by **resolution 38/232:** (a) took note of the ICSC decision to modify, with effect from 1 September 1983, the NRA provisions to make the allowance payable for a fixed duration of five years at designated duty stations and to make it non-pensionable, subject to the protection of acquired rights as set out in paragraph 63 of the ICSC report *(A/38/30)*; (b) requested UNJSPB to review article 54 (a) of the Regulations of UNJSPF in the light of ICSC's decision and to make appropriate recommendations to the GA at its 39th session; (c) decided that, in the meantime, the modified NRA would not be pensionable.

1984 **19th session (March)**: At the request of ICSC, its secretariat provided a document in which proposals were made for a final scheme to be adopted in respect of rental subsidies for staff with non-resident status. Following the receipt of comments from the organizations and from the staff representatives, ICSC decided that the trial scheme should be continued and that it would re-examine the question of rental subsidy for internationally recruited staff in the GS category at its 21st session *[A/39/30, paras. 176 and 177]*.

1985 **21st session (March)**: ICSC considered document ICSC/21/R.11, prepared by its secretariat, dealing with a number of features concerning the operation of the rental subsidy scheme for staff in the P and higher categories as well as that for internationally recruited staff in the GS and related categories. Concerning the scheme for internationally recruited staff in the GS and related categories, proposals were made to simplify some of the modalities of the scheme in the light of experience with the scheme in its first two years of operation and of prior comments made by CCAQ, FICSA and CCISUA. ICSC considered that the currently applicable modalities should remain in force and that the scheme should be defined as applying to duty stations where the NRA was not paid *[ICSC/21/R.24, paras. 137 and 147]*.

1992 **35th session (March)**: ICSC had before it a review by its secretariat *(ICSC/35/R.14)* of proposals developed in 1991 by CCAQ: (a) to replace the current rental subsidy scheme for internationally recruited GS staff, with a rental subsidy scheme modelled on that applicable to staff in the P and higher categories; (b) to eliminate the non-resident's allowance for that category of staff. Separate proposals

by IAEA, concerning the conditions of service for internationally recruited GS staff in Toronto, Canada, were also included, along with proposals by CCISUA for internationally recruited GS staff in New York and at the Economic and Social Commission for Western Asia (ESCWA), respectively.

ICSC requested its secretariat to study the CCISUA proposals and to report thereon at its 36th session. The proposals put forward by CCISUA were: (a) to eliminate the 1983 NRA at some 22 duty stations; (b) to introduce a revised rental subsidy scheme modelled after the P and higher categories. ICSC requested its Chairman to inform the IAEA/DG that it had considered the problems experienced by the Agency in assigning safeguards inspection assistants on a non-locally recruited basis from Vienna to Toronto and determined that the solution to the problem would be for the DG to establish a separate allowance at an appropriate level for that category of staff at Toronto and to keep ICSC informed thereon *[ICSC/35/R.17, paras. 157-163]*.

36th session (August): ICSC requested its secretariat to review organizations' recruitment and retention needs for internationally recruited GS staff and, in the light of its findings, to study further the proposal for an expanded rental subsidy scheme and to report thereon at the 37th session *[ICSC/36/R.17, para. 38]*.

SECTION 3.60
LANGUAGE INCENTIVE (PROFESSIONAL AND HIGHER CATEGORIES)

1967 With a view to achieving a better linguistic balance within the UN Secretariat, the GA approved in principle, by **resolution 2359 B (XXII)**, the introduction (not before 1969) of a language bonus for staff in the P category who used two working languages, and requested the SG to study and report on its modalities. The bonus would be restricted to staff occupying posts subject to geographical distribution. ICSAB, whose advice had been sought by ACC on the implementation of the measure, concluded that payment of a bonus would not achieve the desired result.

1968 By **resolution 2480 B (XXIII)**, the GA suspended application of the language bonus and approved instead various measures, one of which (implemented in the UN Secretariat from 1 January 1972) provided for reduction of the interval between salary increments from 12 months to 10 months (or, where appropriate, from 24 months to 20 months) in the case of staff occupying posts subject to geographical distribution who have an adequate and confirmed knowledge of a second official language of the UN. Another measure made all promotions, from P-1 to D-2 inclusive, conditional upon knowledge of a second language, unless the SG deemed an exception to be necessary for the proper functioning of the Secretariat *[A/31/30, para. 317]*.

1976 **4th session (July/August)**: ICSC agreed to review at the earliest opportunity the question of the language incentives provided in the UN Secretariat *[A/31/30, para. 80]*.

1980 By **resolution 35/214**, the GA requested ICSC to begin as soon as possible the review of the language incentive scheme of the UN which was already on its programme of work.

1983 **18th session (July/August)**: ICSC considered a document prepared by its secretariat outlining the origin and reasons for the language incentive scheme for P staff in UN Secretariat posts subject to geographical distribution *[A/38/30, para. 47]*. The problems addressed by the GA when introducing the language incentive concerned the need to redress the poor linguistic balance that existed at that time. ICSC noted that this was part of a package of improvements and incentives that included, *inter alia*, the requirement of language knowledge as a condition for promotion and improved training facilities *[A/38/30, para. 51]*. ICSC felt that the incentive as currently applied should not continue; that a harmonization of practices among organizations for dealing with the encouragement and recognition of language knowledge would be desirable, and that an appropriate solution should be found as soon as possible. It considered that these views should be brought to the attention of the legislative bodies of the common system and instructed its secretariat to examine alternative approaches to the question, such as enhanced training facilities as indicated by ICSC, and report back again with recommendations *[A/38/30, para. 54]*.

In **resolution 38/232**, the GA recalled its resolution 2480 B (1968) on the language incentive in the UN and requested the SG to submit to the GA at its 39th session a report on the status of the linguistic skills of UN staff, including the effects of the language incentive programme, and to introduce, if necessary, further measures to improve the present situation.

1993 **35th session (March)**: The matter came before ICSC largely as a result of the actual and proposed extension of language incentive schemes in common system organizations. ICSC reviewed documentation prepared by its secretariat *(ICSC/37/R.9)* which reviewed the history of the language incentive, summarized the existing situation, and proposed several options for consideration by ICSC, viz: (a) reiterate its 1983 recommendation that language incentives be discontinued and more efforts be made to meet linguistic standards at the time of recruitment; (b) recommend the introduction, on a consistent basis, of a language incentive scheme for all organizations in the form of either: (i) an accelerated within-grade increment; or (ii) a non-pensionable lump-sum bonus.

ICSC considered that linguistic balance had to be a desirable objective for international organizations: the question was whether a language incentive scheme was necessary to achieve that purpose. Noting the views of the organizations, ICSC concluded that a language incentive scheme might indeed be a useful tool; it therefore agreed not to pursue the option of reiterating its 1983 recommendation that the language incentive be discontinued. Such schemes should not, however, be imposed on organizations as a requirement, but should be a matter for determination by each organization in the light of its needs *[A/48/30, para. 164]*.

Following a discussion of the modalities of application, language requirements, eligibility and the form of a language incentive, ICSC decided, in accordance with article 10(c) of its statute, to recommend to the GA that, for organizations that considered a language incentive scheme to be a useful means of improving linguistic balance in the interests of improved organizational effectiveness, the following parameters should apply:

(a) Criteria/language requirements: adequate and confirmed knowledge of a second official language; (b) Eligibility: the groups eligible for the scheme should be determined by each organization in accordance with its structure and functional requirements. Linguistic staff should, however, be excluded from eligibility for the scheme; (c) Mechanism: the incentive should take the form of the granting of within-grade salary increments at an accelerated rate of 10 months (as opposed to 12), and 20 months (as opposed to 24), as appropriate; (d) organizations should take steps to ascertain, on a periodic basis, that a staff member receiving a language incentive retained linguistic proficiency, with a view to the effective use of language skills in the organizations.

ICSC recommended that the effective date of the above measures would be 1 January 1994. Any organization that had a language incentive scheme in effect as of that date should bring it into line with the above parameters as soon as possible. ICSC requested the organizations to keep it informed regarding the introduction and application of language incentive schemes *[A/48/30, paras. 172-174]*.

In **resolution 48/224**, the GA: (a) decided that organizations wishing to introduce a language incentive scheme to promote linguistic balance should do so within the parameters set out in the ICSC report, and in this regard requested all UN organizations to pay particular attention to the situation of staff members whose mother tongue is not an official language of the UN; (b) decided that organizations that already had a language incentive scheme should ensure that it was in line with the ICSC parameters; (c) requested ICSC to report on the introduction of the scheme by the organizations, to review the scheme after taking into account the views expressed in the GA and to report thereon to the GA at its 53rd session.

1995 **41st session (May)** ICSC reviewed the implementation of the above recommendations and decisions on the basis of a monitoring report by its secretariat *(ICSC/41/R.14 and Corr. 1) (see also section 12.10).*

It was recalled that an important point of departure for ICSC's 1993 discussion of the subject had been that in language incentive schemes, the emphasis should be on encouraging the practical use and application of languages: incentives should not be provided for acquiring abstract or theoretical knowledge. ICSC wished to reaffirm that position. At the same time, ICSC noted the provision in GA resolution 48/224 requesting all organizations to pay particular attention to the situation of staff members whose mother tongue was not an official language of the UN. To ICSC's mind the practical meaning of that provision was not clear, nor did it seem in concordance with the principle that organizational need and efficiency should have primacy in that area. ICSC noted that in practice, organizations gave equal treatment to staff under their language training programmes. ICSC decided: (a) to take note of the information presented by the organizations, pending further review as requested

by the GA in resolution 48/224; (b) to note with appreciation the action taken by WIPO to bring its language incentive scheme into line with ICSC parameters; (c) to invite those organizations which had not done so to introduce mechanisms for periodic retesting for language proficiency; (d) to reaffirm that the basic rationale for language incentives should be to encourage the practical use and application of languages in the interest of improved organizational effectiveness *[ICSC/41/R.19, paras. 368 and 371 (a)] (Reported to the GA in A/50/30, paras. 349 and 353 (a)).*

1998 **47th session (April/May):** In response to above GA resolution 48/224, ICSC reviewed the language incentive scheme as applied by the organizations. Of those organizations which responded to ICSC's request for information and which apply the scheme, the ICSC parameters were applied by all but the ILO, where eligibility was contingent on the knowledge of two official languages in addition to the mother tongue.

ICSC recalled that it was a basic requirement for any job within the common system to be fluent in one of the working languages of the respective organization, and that this knowledge should not be misconstrued as an additional qualification. ICSC considered that language training, especially since it was provided free of cost by most organizations of the common system, was in itself an inducement, and it was therefore important that the organizations ensure that staff made a commitment to complete their training once they had begun. The incentive should be paid only if the language was used in the organization and was useful to it.

ICSC noted that in most organizations, there was no usage requirement and no retesting to ascertain if proficiency had been maintained. ICSC was of the view the retesting was a necessity to ensure that staff retained their skills. Under the current modalities, it was not clear what benefit derived to the organization that paid incentives. ICSC considered that periodic retesting and/or certification to ascertain the use of the language(s) in the organization should take place as part of the periodic performance appraisal.

ICSC decided to recommend to the GA that the language incentive scheme for the Professional and higher category staff, in organizations which offered it, should be discontinued as currently applied and replaced by a non-pensionable bonus.

ICSC further decided to recommend to the GA and the governing/legislative bodies of other organizations of the common system that had determined the need to reward staff for encouraging them to speak more than one language to ensure that in the case of both categories of staff, the bonus be paid only if the language was used in the organization, and that at the time of the periodic performance appraisal, organizations should retest or certify as to the actual use by staff of the language(s) in the organization. ICSC further intended to revert to this issue in five years *[A/53/30, paras. 193-209].*

In **resolution 53/209**, the GA noted that a number of essential elements still remained to be solved, including, inter alia, the rationale for recommending a change to the existing scheme, the degree to which such changes would continue to serve as an incentive for multilinguism in the organizations, what would be the basis for determining the amounts for both categories, and transitional measures. The GA requested ICSC to submit, at the GA's 55th session, a comprehensive report covering all the elements raised, taking into account the acquired rights of the staff.

2000 **52nd session (July/August):** The GA, in section II.B of its resolution 53/209 of 18 December 1998, had requested ICSC to further review recommendations it had made to the Assembly in 1998 regarding the recognition of language knowledge. ICSC took up the request of the GA and responded to the specific questions raised *(see A/55/30, paras. 55-60).* ICSC also decided to inform the GA that it was currently engaged in a comprehensive review of the pay and benefits system which had emerged as a

priority item from the integrated framework for human resources management. It considered that it would therefore be more appropriate to address the issue of recognition of language knowledge in the context of that larger study, which would be dealing with the entire range of common system allowances [A/55/30, para. 61]

By resolution **55/223**, the GA took note of the decision of ICSC to address the issue of recognition of language knowledge within the context of the comprehensive review of the pay and benefits system.

2007 **65th Session (July):** As part of its review of the pay and benefits system, ICSC decided to include in its programme of work for 2007, a review of the language knowledge. The item was originally scheduled to be reviewed in 2006; however, because of unforeseen complications in the implementation of the pilot study, it was moved to 2007. Document ICSC/65/R4 which was prepared in that context addressed both Professional and General Service categories. Some of the issues raised were whether the current schemes should continue and if they were to continue, should they be based on knowledge or use of a language; whether the schemes should be harmonized among categories and entities, whether there should be a revision of the scheme for Professional staff and how it should be done as well as whether amounts should be pensionable.

The Commission, decided that (a) the long-standing flexibility given to organizations should be maintained; (b) organizations should be encouraged to promote additional use of languages to further their operational goals and (c) organizations should follow the guidelines as listed in A/62/30, paragraph 65 (c).

In resolution 62/227, the GA took note of the decisions of the Commission contained in paragraph 65 of its annual report.

2015 **81st Session (July):** As part of **the comprehensive review** of the compensation package for staff in the Professional and higher categories, conducted by the Commission between its 76th to 81st sessions (March 2013 to July 2015), the Commission recommended to the General Assembly that the current practice of granting staff members an accelerated step increment after 10 months, instead of 12, as a language incentive within some organizations be discontinued. [A/70/30, para 106]

The General Assembly subsequently decided to discontinue the current practice of granting accelerated step increments (resolution A/RES/70/244, section III, paras 20-24).

SECTION 3.70
LANGUAGE ALLOWANCE (GENERAL SERVICE)

1981 **13th session (February/March)**: ICSC approved a phased approach to the review of the basis and method for application of the principles for determining conditions of service of the GS and other locally recruited categories. ICSC included the language allowance as part of the second phase of its review and specified a comprehensive listing of the issues to be addressed in the consideration of this allowance *[A/37/30, para. 158]*. ICSC noted that while the staff rules of most organizations made provisions for testing, at regular intervals, of continued proficiency in the language(s) for which an allowance was received, the organizations did not as a rule apply this provision strictly. ICSC, however, was of the view that the organizations should enforce the provisions of this rule and arrange for the testing of continued proficiency at regular intervals. ICSC also noted that the procedure relating to the determination of the allowance, i.e., by reference to the minimum net salary of a bilingual secretary, would not pose problems in most cases, but in instances where the organizations employed bilingual secretaries at more than one grade, it would be essential to specify the grade which must be used for the application of the procedure. It decided that in such cases the minimum salary of the lowest grade of a bilingual secretary should be used. ICSC decided to endorse the language allowance as it was established, defined and administered. In summary it agreed that: (a) the language allowance should be payable for proven knowledge (but not necessarily the use) of a second or third official language; (b) the language allowance should not be payable for knowledge of the mother tongue of staff members, or for proven knowledge of the official language in which they are required to be proficient by the terms of their appointment; (c) the allowance should be in the form of a net amount (not subject to staff assessment) and the net value should be included in pensionable remuneration; (d) the allowance should be established on the basis of 5 per cent of step 1 of the net salary pertaining to the lowest grade of a bilingual secretary, and should be adjusted each time there is at least a 15 per cent increase in that net salary following the date on which the amount of the allowance was last fixed; (e) proficiency should be proven through appropriate examination - and continued proficiency should be tested at regular intervals *[A/37/30, para. 164]*.

1998 **47th session (April/May):** In the framework of its review of the recognition of language knowledge in the UN common system which mainly focussed on the language incentive scheme for staff in the P and higher category, ICSC also reviewed the language allowance for staff in the GS and related categories. ICSC recalled that it was a basic requirement for any job within the common system to be fluent in one of the working languages of the respective organization, and that this knowledge should not be misconstrued as an additional qualification. ICSC considered that language training, especially since it was provided free of cost by most organizations of the common system, was in itself an inducement, and it was therefore important that the organizations ensure that staff made a commitment to complete their training once they had begun. The allowance should be paid only if the language was used in the organization and was useful to it.

ICSC decided to recommend to the GA and the governing/legislative bodies of other organizations of the common system that had determined the need to reward staff for encouraging them to speak more than one language to pay the language allowance for the GS and related categories of staff in the form of a non-pensionable bonus, on the understanding that the mechanisms for both categories of staff would be aligned, and to ensure that in the case of both categories of staff, the bonus be paid only if the language was used in the organization, and that at the time of the periodic performance appraisal, organizations should retest or certify as to the actual use by staff of the language(s) in the organization. ICSC further intended to revert to this issue in five years *[A/53/30, paras.195-209]*.

In **resolution 53/209**, the GA noted that a number of essential elements still remained to be solved, including, inter alia, the rationale for recommending a change to the existing scheme, the degree to

which such changes would continue to serve as an incentive for multilinguism in the organizations, what would be the basis for determining the amounts for both categories, and transitional measures. The GA requested ICSC to submit, at the GA's 55th session, a comprehensive report covering all the elements raised, taking into account the acquired rights of the staff.

2000 **52nd session (July/August):** The GA, in section II.B of its resolution 53/209 of 18 December 1998, had requested ICSC to further review recommendations it had made to the Assembly in 1998 regarding the recognition of language knowledge. ICSC took up the request of the GA and responded to the specific questions raised *(see A/55/30, paras. 55- 60).* ICSC also decide to inform the GA that it was currently engaged in a comprehensive review of the pay and benefits system which had emerged as a priority item from the integrated framework for human resources management. It would therefore be more appropriate to address the issue of recognition of language knowledge in the context of that larger study, which would be dealing with the entire range of common system allowances [A/55/30, para. 61].

By resolution **55/223**, the GA took note of the decision of ICSC to address the issue of recognition of language knowledge within the context of the comprehensive review of the pay and benefits system.

2007 65th Session (July): As part of its review of the pay and benefits system, ICSC decided to include in its programme of work for 2007, a review of the language knowledge. The item was originally scheduled to be reviewed in 2006; however, because of unforeseen complications in the implementation of the pilot study, it was moved to 2007. Document ICSC/65/R4 which was prepared in that context addressed both Professional and General Service categories. Some of the issues raised were whether the current schemes should continue and if they were to continue, should they be based on knowledge or use of a language; whether the schemes should be harmonized among categories and entities, whether there should be a revision of the scheme for Professional staff and how it should be done as well as whether amounts should be pensionable.

The Commission, decided that (a) the long-standing flexibility given to organizations should be maintained; (b) organizations should be encouraged to promote additional use of languages to further their operational goals and (c) organizations should follow the guidelines as listed in A/62/30, paragraph 65 (c).

In resolution 62/227, the GA took note of the decisions of the Commission contained in paragraph 65 of its annual report.

SECTION 3.81
MOBILITY AND HARDSHIP ALLOWANCE (UP TO 2013)

1989 **29th and 30th sessions (March and August):** ICSC considered the report of the Working Group established to assist in carrying out the comprehensive review *(see section 2.1.90)* and made specific recommendations in the area of mobility and hardship, the thrust of which would be to replace the present arrangements with a newly designed scheme. It recalled the GA decision that the US civil service should continue to be the comparator for UN emoluments; however, it had also determined that for purposes of reviewing hardship and mobility allowances the entitlements for non-diplomatic expatriates might be used as a general reference point. When making a comparison along these lines, a significant imbalance in favour of the US side was indicated, particularly when compared to UN hardship duty stations with low post adjustment levels. It was noted that the US paid higher base salaries and financial incentives, and in addition provided housing and utilities over and above base salary, which already contained a housing component *[A/44/30, vol. I, paras. 295 and 296].*

ICSC noted that the expansion of the UN system's activities in the developing world had been accompanied by a decline in the competitiveness of its remuneration package. The measures currently in force had not been sufficient to overcome the recruitment and retention problems faced by the organizations' differing mobility requirements. ICSC concluded that a revised package for the UN system should be designed to bring the compensation for field service in line with that of the comparator. At the same time, it should aim to simplify the concept and design of the package by combining a number of existing allowances into two major entitlements: (a) a mobility and hardship allowance incorporating an incentive for mobility, compensation for hardship and the "field element" of the current assignment allowance, as well as certain other payments.This would be an ongoing payment; and (b) an assignment grant at both headquarters and in the field, which would incorporate the existing installation grant, the furniture element of the assignment allowance and the pre-departure allowance. Under these proposals, the following would be discontinued: financial incentive, 18-month home-leave and time off for medical check-ups *[A/44/30, vol. I, paras. 298 to 301].*

Under the proposed mobility and hardship allowance, the mobility element would be expressed, as for the comparator, in terms of a percentage of base salary and would be payable after 5 consecutive years of service. It would increase with each subsequent move up to the fifth assignment, except for assignments to HQ locations for which different measures would apply. For these and similar locations, a mobility incentive would not be payable for the first three assignments, would start only from the fourth assignment and would begin at a lower level than in the field. For field duty stations, a mobility incentive would not be payable for the first assignment, i.e. upon recruitment to a field duty station. An incentive of 10 per cent of base salary would be payable from the second assignment if it was to a field duty station and that amount would increase by 2 per cent with each subsequent assignment to a field duty station, up to a maximum of 16 per cent of the net base salary. As regards hardship, five levels would be established, based on existing procedures for classifying field duty stations. The combined mobility and hardship entitlements would be set out in a matrix as shown below:

Location Assignment number *

1 2 3 4 5 or more
(Proposed entitlement as a percentage of base salary mid-point)

H a/ 0 b/ 0 b/ 0 b/ 4 b/ 6 b/

A c/ 5 15 17 19 21

B c/ 13 23 25 27 29

C c/ 20 30 32 34 36

D c/ 25 35 37 39 41

E c/ 30 40 42 44 46

a/ Headquarters, North American and European duty stations and similar designated locations.
b/ Plus 3 per cent at headquarters duty stations for non-removal cases.
c/ Minus 5 per cent for full household removal.

* See change introduced by the GA in resolution 44/198 cited below regarding eligibility requirement for mobility element at "H" duty stations.

It was proposed to compute the various percentages by reference to the amount corresponding to the mid-point of the base (or floor) salary scale (P-4, step VI) at the dependency rate, while providing a differential (plus or minus) for "bands" of grade levels above and below the mid-point. The median rate would be used for the P-4 and P-5 levels and a 13 per cent differential would be added or subtracted, as appropriate, at higher and lower levels. It was also proposed that the dependency rate be paid to staff with dependants regardless of whether they accompanied the staff member to the duty station. The allowance for staff without dependants would be 75 per cent of that the dependency rate. The term "assignment" would be understood to mean the transfer of a staff member to a new duty station for a period of one year or more, at which the staff member had been "installed", i.e. travel expenses and assignment grant paid and personal effects or furniture moved. After five consecutive years at the same duty station the mobility element of the allowance would normally be reduced by 10 percentage points. It was recommended that the amounts payable should be in US dollars as a lump-sum at the beginning of each year of service at the duty station. ICSC recognized that organizations might, however, prefer more flexible arrangements *[A/44/30, vol. I, paras. 307 to 322].*

As part of the proposed mobility and hardship scheme, ICSC recommended a new assignment grant *(see section 4.30),* including its relationship to removal entitlements. Under the proposal there was also a relationship between the mobility and hardship allowance and removal entitlements as follows: (a) for staff members with a full entitlement to removal of household goods and personal effects at A-E locations, a reduction of five percentage points in the matrix would be applied; and (b) for staff members without a full entitlement to removal of household goods and personal effects at headquarters and related locations, the mobility and hardship percentages under the matrix would be increased by 3 percentage points. Reflected in other sections are recommendations on home leave *(section 4.60)* and boarding costs *(section 4.10).* Time off for medical and dental examinations and pre-departure allowances would be discontinued since they were considered to be adequately covered by the new scheme *[A/44/30, vol. I, paras. 323 to 327].*

By **resolution 44/1 98,** the GA approved, with effect from 1 July 1990, ICSC's recommendations relating to mobility and hardship as outlined above, on the understanding that the amounts indicated in the matrix for staff serving at headquarters or in North American and European duty stations and similar locations would be payable from their fourth assignment only if they had served in at least two field duty stations. The GA also requested ICSC to report at its 47th session on the operation of the mobility and hardship allowance and the assignment grant.

1990 **32nd session (July/August):** ICSC examined the implications of the decisions of the GA arising out of the comprehensive review of conditions of service of the P and higher categories as they related to the GS and related categories, and decided to recommend to the organizations that the mobility and hardship matrix approved for the P and higher categories should be applied also to internationally recruited GS staff, with effect from 1 July 1990, except that the reference point would be P-4, step VI, scaled down by 13 per cent to reflect salary relativities more appropriately and ensure equity of treatment with other categories of staff in similar jobs at the same duty station. Where the resulting amounts were lower than the current amount of the non-resident's allowance payable to **1990** internationally recruited GS staff, an amount equal to the difference between the two should be payable in addition, according to administrative arrangements to be determined by the organizations *[A/45/30, paras. 224 and 235]*.

1991 **34th session (August):** In the context of its consideration of the base/floor salary scale, ICSC noted that it would report on the operation of the mobility/hardship scheme and present a detailed report thereon to the GA in 1992 *[A/4 0/3 0, para. 126]*.

1992 **36th session (August):** ICSC undertook a review of the operation of the mobility and hardship scheme as called for by the GA in resolution 44/198. The document prepared by its secretariat *(ICSC/36/R. 15)* contained the following elements: (a) a description of the current mobility and hardship package, including its relationship to the arrangements applicable before July 1990; (b) a review of the framework within which the scheme operates (mandates of common system organizations, structure, reassignment policies); (c) an analysis of the operation of the scheme since its introduction; (d) a comparison of United Nations and comparator arrangements; (e) the linkage between the base/floor salary scale and the mobility and hardship allowance. The document also included a review of the assignment grant *(see section 4.30).*

ICSC decided to: (a) take note of the assessment by the organizations that the scheme was, in general, operating satisfactorily, particularly for those organizations that had a strong functional need to rotate their staff and assign them to difficult locations; (b) note at the same time that certain difficulties had been reported with regard to the treatment of project and other non-career staff, as well as in certain cases the rotation of staff from headquarters to the field and vice versa, which required further study; (c) emphasize the need for timely and comprehensive information on the operation of the scheme; (d) request the organizations to give priority to a review of non-monetary and social measures in the area of mobility and hardship and to report on progress in that regard in the context of the next review of the scheme. ICSC decided to review the operation of the scheme again in 1995. In the meantime it recommended that the existing parameters of the scheme be maintained, including the linkage between the mobility and hardship allowance and the base/floor salary *[A/47/30, para. 283]*.

By **resolution 47/216,** the GA: (a) noted the ICSC conclusions in respect of the operation of the mobility and hardship scheme; (b) concurred that the existing parameters of the mobility and hardship scheme be maintained; (c) took note of ICSC's intention to review the operation of the scheme after more experience had been gained in its operation; (d) requested ICSC to include the following elements in its forthcoming review: (i) the adjustment procedure which linked the mobility and hardship matrix to revisions of the base/floor salary; (ii) the percentage levels attributed to the matrix also in comparison with those applicable in the comparator civil service and in particular those pertaining to the H and A categories; (iii) an analysis of the extent to which each of the component parts of the matrix met the organizations' needs; (iv) a precise quantification of the cost savings; and to report thereon to the GA at 51st session (1996).

1995 **42nd session (July/August)** In the context of its consideration of the base/floor salary scale, ICSC noted that a significant impact of the proposed adjustment would be on the allowances which were pegged to the base/floor, notably the mobility and hardship allowance. ICSC noted that concerns had

been expressed in that regard. It noted that the adjustments in the base/floor salary scale approved by the GA since 1990 (when the system had been introduced) had accumulated to 28.32 per cent as of 1 March 1995 and would equal 32.3 per cent as of 1 March 1996 if the current proposals were approved. It was recalled that the adjustment mechanism now in place was modelled on that of the comparator, and the increase in the common system base/floor scale was therefore in line with the salary scale adjustments implemented on the comparator side. Adjustments were therefore designed to parallel those of the comparator; in fact, the common system adjustment arrangements had a built-in fourteen-month time lag *vis-à-vis* the comparator. ICSC considered that the related impact of the base/floor salary scale adjustment reflected accurately the decisions taken at the time of the 1989 comprehensive review. ICSC further noted that in accordance with GA resolution 47/216, it would be undertaking a review of the mobility and hardship scheme in 1996. The question of the base/floor salary linkage would be taken up at that time, as the GA had requested *[A/50/30, para. 212].*

1996 **43rd session (April/May) and 44th session (July/August):** ICSC reviewed the operation of the mobility and hardship scheme. The documentation prepared by its secretariat *(ICSC/43/R.14, Add.1 and Corr.1; ICSC/43/CRP.4)* was based on an analysis of the following elements: (a) the operation of the scheme since its introduction, including cost-benefit and personnel management considerations; (b) the entitlements applicable in the comparator civil service; (c) options for possible modifications to the scheme; (d) the linkage between the base/floor salary scale and the mobility and hardship allowance. Also included was a review of the assignment grant *(section 4.30)* and hazard pay *(section 7.40) [A/51/30, paras. 242-247].*

Statistical data on the utilization and costs of the MHA showed that as of end 1994, some 7,600 staff in the P and higher categories were in receipt of one or more elements of the allowance. ICSC further noted that the actual payments under the MHA might be one-, two-or three-dimensional, depending on whether the conditions attaching to a given element were met in a particular case. In fact, only 1,760 staff were receiving all three elements. The data showed that the MHA was not used uniformly by the organizations; utilization rates varied from more than 80 per cent of staff in the P and higher categories (e.g., UNICEF, UNRWA, UNHCR, WFP) to about one half (ILO, WHO), to approximately one third (United Nations, FAO) or less. In some organizations, the allowance was applicable minimally, if at all *[A/51/30, paras. 266-2 69].*

Before examining the specific elements of the MHA matrix, ICSC undertook an in-depth examination of the cost structure of the MHA. It recalled that at the time of the comprehensive review, the total cost of the mobility and hardship package had been estimated at some $56.4 million per year, system-wide, consisting of: (a) approximately $33.8 million pre-existing cost for allowances in respect of mobility, hardship and field service; these had been reconfigured and carried over into the mobility and hardship allowance; (b) an additional cost of $22.6 million.

When the scheme had been reviewed in 1992, the cost of the MHA had been estimated at some $62 million per year. Given that the data to hand at that point were incomplete, a number of assumptions had had to be made about actual utilization. ICSC noted that, by contrast, the data available to it for the current review provided a very comprehensive overview of the utilization of the allowance by organization, by element of the allowance and by duty station category. Those data, which had been provided by the organizations and validated by them, provided an opportunity for ICSC to establish a sound baseline for future tracking of the allowance.

On the basis of those data, ICSC established that the cost structure of the allowance had evolved as follows since its introduction:

1990 1994 1995

Cost $56.4 million $62.1 million $64.7 million

Increase ----------> 14.7 per cent

ICSC noted that, while these figures tracked the movement of the cost of the allowance over time, they might present a somewhat misleading picture of the total cost to organizations' budgets, since they included expenditures on JPOs/APOs/AEs, which were provided by their Governments at no cost to organizations' budgets. As at end 1995, there were approximately 800 such staff in receipt of the allowance at a cost of $5.3 million.

The net cost to the organizations' budgets as of that date was thus $59.4 million per year system-wide. ICSC was confident that that figure represented an accurate baseline for P and higher category staff costs as at end 1995. It noted that, even allowing for some possible overstatement of the original (1990) estimates, the allowance was operating well within the parameters of the base/floor adjustment arrangements *[A/51/30, paras. 2 71-2 73].*

ICSC noted that by resolution 46/191 A, the GA had requested a **cost-benefit analysis** of the operation of the MHA and by resolution 47/2 16, a precise quantification of the administrative cost savings. Cost-benefit analyses covering a significant sector of the MHA population, had shown direct and indirect savings. The average efficiency gain had been estimated at approximately $2,000 per staff member/year. ICSC realized that such analyses were not a typical feature of human resources management in the common system; moreover, the matter was more complex than quantifying the allowance in isolation from other parts of the human resources management picture and required a more integrated analysis of human resource outcomes system-wide. ICSC considered, however, that it would be possible for the organizations to formulate a generic costing model that could be used, *inter alia,* to measure both the tangible and the intangible costs and benefits of the mobility and hardship scheme and requested the organizations to do so. That said, ICSC emphasized that the mobility and hardship scheme had not been intended as a cost-saving measure, but as an improvement to a set of allowances that already carried a certain price. ICSC was persuaded, on the basis of the extensive data provided, that the costs for the scheme had stayed within reasonable bounds *[A/51/30, paras. 274-276].*

ICSC recalled that the consideration of **social and non-monetary (non-cash) measures** had been limited by time constraints at the time of the comprehensive review and were to have been taken up by CCAQ. Although a variety of measures had in the meantime been put into place by the organizations, the issue of split households (spouses or children not able to join the staff member because of inadequate facilities), related, *inter alia,* to the designation of non-family duty stations, had not yet been addressed in a comprehensive fashion. ICSC noted the confirmation of CCAQ that it would be undertaking a review of that issue. In considering the specifics of the mobility and hardship matrix, ICSC took as a general point of departure the analysis it had conducted of the overall utilization and functioning of the MHA, as reflected above *[A/51/30, paras. 2 78-280]. ICSC undertook a detailed analysis of the mobility and hardship matrix, which is covered in A/51/30, paras. 281-299]. Consideration of the item was essentially completed at the 43rd session, with the exception of the introduction of the time-limit on the non-removal element, on which the recommendation was finalized at the 44th session (see A/51/30, paras. 256 and 294-295).*

ICSC decided to make the following report to the GA: (a) it took note of the unanimous satisfaction expressed by the organizations on the functioning of the MHA, which was found to be a useful and efficient management tool that had fulfilled its aims; (b) it noted the action taken to date by the

organizations in the area of social and non-monetary measures, further noting that CCAQ would review the issue of split households; (c) it took note of the statistical data on the utilization and costs of the scheme; (d) it recommended that no change be made regarding: (i) the current band approach for differentiating the level of the mobility and hardship allowance (P-1 to P-3, P-4/P-5 and D-1 and above); (ii) the current single/dependant relativities (75/100) established for the allowance; (iii) the present approach to home leave entitlements, i.e. 24-month home leave at H, A and B duty stations, 12-month home leave at C-E duty stations; (e) to recommend that no change be made to existing hardship levels; (f) to recommend that the present structure of the mobility element and the conditions attaching thereto be maintained; (g) to recommend that the non-removal element be maintained in the matrix and be time-limited for a period of five years at one duty station, to be extended for up to seven years on an exceptional basis. This time-limit should be introduced as of 1 January 1997; (h) to recommend that the present linkage to the base/floor salary be retained [A/51/30, para. 304].

In **resolution 51/216**, the GA: (a) took note of the ICSC conclusions in respect of the operation of the MHA scheme; (b) approved all recommendations of ICSC except that relating to the linkage between the base/floor salary and the MHA, which it requested ICSC to review further, taking into account the views expressed by Member States.

2000 **In resolution 55/223,** the General Assembly requested ICSC, in the context of the review of the pay and benefits system, to review the firm linkage between the base/floor salary scale and the mobility and hardship allowance.

2002 In **resolution 57/285,** the General Assembly reiterated its request to the Commission to review, in the context of the review of the pay and benefits system, the existing linkage between the base/floor salary scale and the mobility and hardship allowance.

2003 **57th session (July):** In light of GA resolutions 51/216 of 18 December 1996, 55/223 of 23 December 2000 and 57/285 of 20 December 2002, ICSC requested its secretariat to proceed with a review of the current mobility and hardship allowance including alternative approach es to compensation for mobility and hardship in the context of the ongoing review of pay and benefits, and to present its findings to the Commission at its fifty-ninth session.

ICSC also decided to report to the Assembly that its recommendation concerning the procedure with regard to the base/floor salary scale would result in payments under the mobility and hardship scheme being maintained at their current levels for the time being. In the meantime, ICSC would continue to keep the matter under close review and would present a final report to the Assembly at its fifty-ninth session with regard to compensating staff at hardship locations and encouraging mobility. At that time it would also report on the linkage between the mobility and hardship allowance and the base/floor salary scale *[A/58/3 0 paras. 211-21].*

By **resolution 58/251,** the General Assembly, recalled its resolutions 44/198, 46/191 A of 20 December 1991, 5 1/216, 55/223 and 57/285, and looked forward to receiving, at its fifty-ninth session, the reports of the Commission on its review of the mobility and hardship scheme and on the linkage between the mobility and hardship allowance and the base/floor salary scale.

2004 **58th session (March- April):** The Commission reviewed presenting with a number of options for delinking the mobility and hardship scheme from the annual adjustment procedure applied to the base/floor scale presented by its secretariat *[ICSC/58/R.3/Add.2],* and decided that the mobility and hardship scheme should be examined in the context of the pay and benefits reform and that its secretariat should also take into account the following considerations in developing proposals for review by the Commission at its fifty-ninth session (summer 2004):

(a) The further development of the following two approaches which would delink the mobility and hardship scheme from the annual adjustment procedure applied to the base/floor salary scale, i.e.:
(i) The establishment of a flat amount for each level of hardship identified in the scheme, i.e., from B to E;
(ii) The establishment of a percentage amount related to each staff member's base/floor salary;
(b) The possible separation of the mobility portion of the scheme from the hardship portion. That would include proposals for applying targeted strategic bonuses to enhance mobility. The role of the rental subsidy scheme in enhancing mobility should also be addressed in that context;
(c) The reconsideration of the hardship component in a broader context, namely, an assessment of risk that would include factors in addition to danger. The adjustment of other benefits, for example, life insurance, to reflect the outcome of the risk assessment exercise;
(d) The role of hazard pay in determining the appropriate levels of hardship;
(e) The role of the non-removal element in the scheme; and
(f) The cost implications of any proposed realignment/revision of current scheme provisions.

59th session (July): After reviewing the proposals that had been presented by its secretariat on the revision of the mobility and hardship scheme [ICSC/59/R.2] ICSC decided to: (a) Separate the mobility element from the hardship element; (b) Delink both the mobility and hardship allowances from the base/floor salary cale; (c) Defer the implementation of these decisions ((a) and (b) above) until a new system had been put into place; and (d) Establish a working group comprising members of the Commission, its secretariat, organizations and staff to develop various options for compensating staff for service in hardship duty stations and for encouraging mobility, to estimate the cost of those options, and to submit its recommendations to the Commission at its sixtieth session in spring 2005 *[A/59/30, vol. I, para. 137].*

In **resolution 59/268,** the General Assembly recalled section VI of its resolution 51/216 of 18 December 1996, section I.C of its resolution 55/223 of 23 December 2000, and section II.A, paragraph 7, of its resolution 57/285 of 20 December 2002 and r*ecognized* the work undertaken by ICSC in reviewing the current mobility and hardship scheme in the context of the pay and benefits review. The Assembly also took *note* of the decision taken by ICSC in paragraph 137 of its annual report *[A/59/30, vol. I].*

2005 **60th session (February-March):** The Commissioned reviewed an update of the progress of the working group, which had met to review the mobility and hardship scheme *[ICSC/60/R.5.* The progress report included information on work done by the annual working group to review conditions of life and work at field duty stations. The work included changes to the data collection, questionnaires and a refinement of the definition of hardship.

Having noted the interim report, ICSC decided to provide further guidelines to the working group as follows:
(a) The approach adopted by the working group should be continued;
(b) The working group should take into account the views expressed by the Commission, organizations and staff representatives in pursuing further options at its next meeting; and
(c) To the extent possible, proposals for changing the current scheme should be based on comprehensive information provided by all organizations.

2005 61st session (July): The Commissioned reviewed the overall results of the Working Group's review. As requested by the Commission it was informed that the guiding principle for the Group was that of cost neutrality. Although each element was treated separately, the Commission noted that the Working Group took into account the agreement not to erode the overall entitlements of staff and

considered the proposal as a single package because of the integrated manner in which it was designed. The Commission was informed of the salient points of each proposal. [A/60/30, para. 68].

(I) The mobility element: (a) Flat amount payments would replace the percentages linked to the base/floor; (b) Differentials for single and dependency rates would be calculated by reference to flat amounts; (c) The number of assignments would be clustered for payment purposes; (d) Up to seven moves would be recognized instead of the current five; (e) No extension of payments for mobility would be allowed after five years in the same location; (f) Payments would be reviewed every three years by reference to: (i) The average movement of net base salary plus post adjustment in the eight headquarters of the United Nations system; (ii) Movement of the out-of-area index used for post adjustment based on inflation factors in 21 countries; (iii) The movement of the base/floor salary scale. [A/60/30, para. 69].

(II) The hardship element: (a) Flat amount payments would replace the percentages linked to the base/floor; (b) Differentials for single and dependency rates would be calculated by reference to flat amounts; (c) Payments would be reviewed every three years by reference to: (i) The average movement of net base salary plus post adjustment in the eight headquarters of the United Nations system; (ii) The movement of the out-of-area index used for post adjustment based on inflation factors in 21 countries; (iii) The movement of the base/floor salary scale; (d) Higher payments would be made for assignments to more difficult duty stations. [A/60/30, para. 71].

(III) The non-removal element: (a) Flat amount payments would replace the percentages linked to the base/floor; (b) No distinction would be made between the amounts paid for duty stations H to E; (c) Differentials for single and dependency rates would be calculated by reference to flat amounts; (d) Payments would be made in a lump sum at the beginning of the assignment; (e) Payments would be reviewed every three years by reference to: (i) The average movement of net base salary plus post adjustment in the eight headquarters of the United Nations system; (ii) The movement of the out-of-area index used for post adjustment based on inflation factors in 21 countries; (iii) The movement of the base/floor salary scale; (f) No extension of payment would be permitted beyond five years. [A/60/30, para. 73].

Having noted the overall results of the Working Group's review, the Commission decided to approve the definition of the criteria for hazard pay and to recommend to the General Assembly: (a) To approve the proposed arrangements for mobility, hardship, non-removal and the assignment grant (b) To implement the new systems with effect from 1 July 2006 and to continue to operate with the current system in the meantime; (c) To approve the proposed definitions of hardship and mobility. [A/60/30, para. 108].

In resolution 60/544, the GA decided to defer to its resumed sixtieth session consideration of the report the International Civil Service Commission for the year 2005.

2006 **62nd session (March):** In light of the report provided, the Commission noted that consideration of the Mobility and Hardship item had not yet been taken in the resumed session of the General Assembly. It noted further that, as the General Assembly had not yet passed any resolution or decision on its reports, this could have an impact on the Commission's programme of work (A/61/30 para. 15).

The Commission also noted that the ICSC secretariat had carried out a number of missions to hardship duty stations in Kosovo, Albania, Macedonia, Ethiopia and Eritrea, to obtain first-hand experience of the conditions of life and work under the mobility and hardship scheme. Meetings had been held with

organizations and staff to develop the means for educating staff and disseminating information on proposed new arrangements for mobility, hardship and non-removal.

63rd session (July): The Commission recalled that in its 2005 annual report it had recommended to the General Assembly new arrangements for the mobility and hardship scheme that de-linked payments under the scheme from the base/floor salary scale. While the new scheme had been proposed to be implemented as from 1 July 2006, the mobility and hardship payments had been expected to remain linked to the base/floor scale in the first half of the year. Thus, financial implications under the old linked-payment scheme had been anticipated and reported by the Commission to the Assembly in expectation of an increase in the scale effective 1 January 2006. Because no such increase had been made, no additional costs had been incurred for the mobility and hardship or separation payments during that year (A/61/30 para. 90).

The Commission noted that the estimated financial impact for separation payments was larger than the typical estimated amount. This was due to the fact that the estimate did recognize a higher than typical base/floor increase, which reflected a two-year movement of the comparator. Since the base/floor salary scale had not been adjusted on 1 January 2006, the estimated increases in the mobility and hardship scheme and the separation payments that appeared in the 2005 annual report did not occur.

The Commission recommended to the General Assembly: (a) To approve the proposed arrangements for mobility, hardship, non-removal and the assignment grant as set out in annex II of its 2005 annual report; (b) To approve the definitions of the criteria for hazard pay, hardship and mobility; (c) To decide that the new arrangements be implemented as of 1 January 2007.

The General Assembly, in resolution 61/239 commended the Working Group for developing the proposed changes in the mobility and hardship scheme. It also approved the definitions of hardship and mobility as outlined in paragraphs 76 and 77 of the 2005 report of the Commission and the proposed arrangements for mobility, hardship, non-removal and assignment grants as set out in annex II of the 2005 report of the Commission. In conclusion, it decided to implement the new system with effect from 1 January 2007.

2008 **67th session (July):** In accordance with the decisions of the Commission, as approved by the General Assembly in its resolution 61/239, the amounts payable under the new mobility and hardship scheme that came into effect on 1 January 2007 are to be reviewed every three years.

As the amounts were originally set in 2005 on the expectation that they would come into effect on 1 January 2006, any revised amounts would need to come into effect on 1 January 2009. In addition, the Commission examined some implementation issues reported by organizations when introducing the new scheme in 2007. The Commission established a working group to look into these matters which submitted its report at the sixty-seventh session to the Commission for its consideration[ICSC/67/R.4].

Under the approved methodology, the amounts payable under the revised mobility and hardship scheme are to be revised every three years by reference to three factors: (a) the average movement of net base salary plus post adjustment in the eight headquarters locations of the United Nations system; (b) the movement of the out-of-area index used for post adjustment based on inflation factors in 21 countries; and (c) the movement of the base/floor salary scale. The working group considered that since, of the three adjustment factors, the movement of the base/floor salary scale was the most stable over time, the amounts should be adjusted with primary reference to this factor but taking into account the movement of the other two factors. The working group was cognizant of the fact that the movement of the base/floor salary scale had been the adjustment mechanism under the previous system, but noted that the main concern of the General Assembly had at the time been the automaticity

of increases through the direct link between the amounts and the movement of the base/floor salary scale. That automaticity no longer existed [A/63/30, par. 82].

As the new mobility and hardship scheme was approved late in December 2006, many organizations had reported difficulty in implementing the scheme on 1 January 2007, because of the need to make the necessary changes to their payroll systems and to inform staff of the changes. Most organizations were therefore obliged to implement the new scheme retroactively, but all organizations reported that they had implemented the new scheme during the course of 2007. Early in 2007, organizations reported to the Commission that their understanding of the new scheme was that adjustments to the flat amounts would be made whenever the personal situation of a staff member changed. However, that did not seem to be in strict accordance with the wording of annex II to the report of the Commission to the General Assembly for 2005 (A/60/30 and Corr.1), which on the subject of implementation parameters stated that "flat rate payments are set at the time of the assignment to the duty station and no changes in the amount are made for the duration of the entitlement, unless the Commission adjusts the amount of the entitlement". The matter was first discussed during the sixty-fifth session of the Commission in Geneva in the summer of 2007, and it was then decided that the matter would be given priority in the Commission's programme of work for 2008. On examining the matter further, the working group noted that the wording of the text approved by the General Assembly seemed to preclude a reflection of changes to the hardship classification levels of duty stations, although that was not the original intention [A/63/30, par.85].

The Commission decided: (a) To recommend that a 5 per cent increase be granted for the hardship allowance, the mobility allowance and the non-removal allowance for implementation on 1 January 2009; (b) To request its secretariat to suggest options for alternative adjustment factors or weightings for establishing the level of future amounts, for timely consideration before the methodological review planned for 2010; (c) To recommend that, with effect from 1 January 2009 the amounts of the mobility, hardship and non-removal elements continue to be adjusted according to changes in the personal status of the staff member or in the hardship classification of the duty station, as they were under the previous scheme, in the following circumstances only: (i) When the staff member changes duty station; (ii) When the hardship classification of a staff member's current duty station changes; (iii) When a staff member has a change in dependency status from single to dependency, or from dependency to single; (iv) When a staff member is promoted from P-3 or equivalent to P-4 or equivalent, and from P-5 or equivalent to D-1 or equivalent; (v) During periods of special leave or separation. (d) To include among factors for consideration during the 2010 review of the scheme: (i) An overall evaluation of the scheme and its operation to determine whether it continues to achieve its purpose and intent; (ii) An examination of the effectiveness and impact of the revised scheme on mobility; (iii) The rationale for payment of a mobility allowance in category H and A duty stations; (iv) A review of the relativities between the amounts of the grade-level groupings in order to ensure that the mobility of more senior staff, in particular, is adequately incentivized; (v) An examination of the need for a revision of the five-year ceiling on the payment of the mobility allowance; (vi) A re-examination of the three adjustment factors, and any weighting of them or their replacements [A/63/30, para. 94].

By its **resolution 63/251**, the General Assembly, recognized the hardship conditions under which staff members are often required to perform their official duties, and the personal disruption that operationally required mobility may impose on staff, and approved, with effect from 1 January 2009, as recommended by the Commission in paragraph 94 of its report [A/63/30], the revised level of the hardship, mobility and non-removal allowances. The Assembly welcomed the intent of the Commission to review whether the mobility/hardship continues to fulfill the purposes for which it was established and encouraged the Commission to further refine the mobility/hardship scheme in order to foster, in particular, the achievement of organizational objectives while requesting the Commission to

report on the outcome of its planned review of the mobility/hardship scheme at its sixty-fifth session for its consideration.

2009 **69th session (June/July):** The Commission considered document ICSC/69/R.10 which provided a proposed road map to conduct a methodological review of the mobility and hardship scheme. The document also outlined the current review mechanism for establishing the appropriate degree of hardship for United Nations staff serving in various field locations.

The review considered the following factors, inter alia: (a) an overall evaluation of the scheme and its operation to determine whether it continued to achieve its intent and purpose; (b) an examination of the effectiveness and impact of the revised scheme on mobility; (c) the rationale for payment of a mobility allowance in categories H and A duty stations; (d) a review of the relativities between the amounts applicable to the grade-level groupings in order to ensure that the mobility of more senior staff, in particular, is incentivized; (e) an examination of the need for the revision of the five- year ceiling on the payment of the mobility allowance; and (f) re-examination of the three adjustment factors, and any weighting of them or their replacements [ICSC/69/R.13, chapter VIII].

The Commission concluded that, in addition to the elements already identified for review, the aim of the mobility and hardship review should be to enhance the objectivity of the process, and that the purpose of the review would be to craft a system that meets the needs of organizations, thereby obviating the need for individual organizations to propose approaches that went beyond the scope of the agreed scheme.

The Commission decided to:

(a) Endorse the road map as proposed by its secretariat;

(b) Include hazard pay in the methodological review;

(c) Confirm that the additional boarding costs accorded to staff in designated duty stations should be part of the mobility and hardship review in 2010 [ICSC/69/R.13, para. 69].

2010 **70th session (February/March):** The Commission was provided with the report of the working group on the mobility and hardship scheme[ICSC/70/R.7]. The Commission was also provided with an overall evaluation of the operation of the scheme, which included the utilization of the scheme in terms of coverage of staff and costing of the scheme [ICSC/70/CRP.11]; experiences of the organizations and staff on the operation of the revised mobility/hardship scheme after introduction of flat amounts [ICSC/70/CRP.12 and CRP.13]; and comparison between United Nations policies and practices and those of the comparator civil service [ICSC/70/CRP.14].

The Commission considered the working group's ten recommendations on the mobility and hardship scheme contained in document ICSC/70/R.7 and decided to:

(a) To request the working group to convene a second meeting before the Commission's seventy-first session and continue to work on identified technical issues that were not concluded at the first, taking into account the comments and suggestions made by the members;

(b) To request organizations to re-examine the possibility for upfront payments of allowances under the mobility and hardship scheme and to report back to the Commission;

(c) To request its secretariat to conduct a further assessment of the impact of the revised scheme on mobility once it has been in place for a period longer than a typical assignment length, that is, no earlier than at the time of the third review of the amounts, in 2013;

(d) To request the working group to continue working on the question of the fourth assignment requirement in the case of postings to category H duty stations;

(e) To request the organizations to provide the requested data on staff recruitment and movement patterns to the secretariat in advance of the second working group meeting in order to consider the question of the fourth assignment requirement in the case of assignments to category H duty stations;

(f) To maintain, for the time being, the current relativities between the amounts applicable to the grade-level groupings in the mobility/hardship scheme;

(g) To maintain the current relativities for single and dependency rates in the mobility/hardship scheme;

(h) To maintain the current five-year ceiling on the payment of the mobility allowance but to permit, in exceptional cases when staff members remained at the same duty station at the explicit request of the organization or for compelling humanitarian reasons, the payment of the mobility allowance at 100 per cent for a maximum period of one additional year;

(i) To maintain a pragmatic approach to reviewing the amounts payable under the mobility/hardship scheme every three years, taking all three adjustment factors into account while noting that the movement of the base/floor salary scale is the most stable factor over time;

(j) To request the working group, at its second meeting, to initiate the examination of the hardship factors and their measurement for the appropriate classification of duty stations;

(k) To request the working group to take into consideration the comments made on the issue of the additional boarding costs accorded to staff at designated duty stations, including the rate of usage of the additional boarding costs [ICSC/70/R.14, para. 57].

71st session (July/August): In document ICSC/71/R.9, the Commission considered a progress report and recommendations of the working group on the mobility and hardship scheme and noted that the group had considered, inter alia, the relationship between hazard pay and the security factor under the hardship classification methodology; the measurement system for hardship classification of duty stations; and issues surrounding the mobility allowance in “H” duty stations. The Commission also noted the group’s recommendation that the criteria for hazard pay be amended and clarified and that the term ‘hazard pay” be changed to “danger pay” to provide a clearer picture of the exceptional situations in which it would be applied.

The Commission decided to:

(a) Note the recommendations of the working group and to request the group to continue its work and submit its final report to the seventy-second session, at which time the Commission would consider all the recommendations as a whole;

(b) Approve the redesignation of hazard pay to danger pay;

(c) Approve the recommended compliance measures with immediate effect;

(d) Encourage the Human Resources Network to strengthen its work on facilitation of spousal employment, the establishment of supportive spouse's networks at United Nations duty stations and the maintenance of a central repository for reports on living conditions at United Nations duty stations [ICSC/71/R.18, para. 36].

2011 **72nd session, March/April:** The Commission considered the final report of the working group which contained the group's consolidated recommendations on the mobility and hardship scheme [ICSC/72/R.3].

The Commission decided:

(a) To request its secretariat to provide at its seventy-third session, an updated report comparing the United Nations and the comparator civil service in terms of the package of benefits paid to staff in field locations;

(b) To request its secretariat to provide, at its seventy-third session, a report on the estimated financial implications of the approved changes to the hardship classification system [ICSC/72/R.9, para. 23].

73rd session (July): The Commission was apprised of the cost implications of the hardship classification system with approved changes to the criteria in document ICSC/73/R.8. It was also presented with a conference room paper on the comparison of the benefits paid to staff in field locations between the United Nations and the comparator civil service [ICSC/73/CRP.9]. The Commission considered that the refinement of the criteria would address current problems with the hardship classification system in a consistent manner and result in more precise hardship classifications in the future.

The Commission decided:

The mobility/hardship scheme

(a) That each organization should determine how it can best administer the payment of the mobility and hardship elements;

(b) To request its secretariat to conduct a further assessment of the impact of the revised scheme on mobility once it has been in place for a period longer than a typical assignment length, that is, no earlier than at the time of the third review of the amounts, in 2015;

(c) In accordance with General Assembly resolution 65/248, the Commission requested the organizations and the secretariat of the United Nations System Chief Executives Board for Coordination to work closely with the ICSC secretariat to systematically collect and report on data. This collaborative effort would allow for a more meaningful analysis of the use and impact of specific allowances and other cross-cutting initiatives, such as the harmonization of conditions of service in non- family duty stations;

(d) To define "H" category duty stations as headquarters and similarly designated locations where the United Nations has no developmental or humanitarian assistance programmes for that country, or locations in countries that are members of the European Union;

(e) To request its secretariat, in consultation with the organizations of the United Nations common system, to conduct a formal review of all “H” category duty stations and all field duty stations in which organizations of the common system continue to maintain humanitarian or developmental activities for that country, with a view to determining the correct classification of those countries and duty stations, and to report thereon to the Commission at its seventy-fourth session;

(f) Not to change the current modalities for payment of mobility allowance for service in “H” and “A” duty stations, at this point in time;

(g) To maintain, for the time being, the current relativities between the amounts applicable to the grade-level groupings in the mobility/hardship scheme;

(h) To maintain the current relativities for single and dependency rates in the mobility/hardship scheme;

(i) To maintain the current five-year ceiling on the payment of the mobility allowance but to permit, in the exceptional case of staff members who remained at the same duty station at the explicit request of the organization or for compelling humanitarian reasons, the payment of the full mobility allowance for a maximum period of one additional year;

(j) To maintain a pragmatic approach to reviewing the amounts payable under the mobility/hardship scheme every three years, using inter alia the three adjustment factors as a reference. The Commission noted that the movement of the base/floor salary scale was the most stable factor over time;

Additional education grant travel entitlements (additional boarding and additional education grant travel) accorded to staff in designated duty stations

(k) To maintain the current criteria for the payment of additional boarding costs in designated duty stations, noting that they responded to a real need, but with the proviso that staff for whom suitable and adequate education for their children was available in the curriculum and language of instruction offered in the duty station of the parent be excluded from eligibility;

Hazard pay and danger pay

(l) To discontinue hazard pay and introduce danger pay on the basis of the revised criteria as set out in annex II to the present report, effective 1 January 2012, in order to allow for a timely transition from hazard pay to danger pay;

Hardship classification system

(m) To request its secretariat and its Working Group for the Review of Conditions of Life and Work in Field Duty Stations that all duty stations be reviewed, with or without the use of a questionnaire;

(n) To maintain all the current hardship factors but to make a change in their relative weightings (except for education, as it is not included in the scoring);

(o) To establish rating scales for the individual hardship factors as recommended by the Working Group. Further, in accordance with the Commission’s decision, the details of the scoring system for the hardship classification should be kept confidential and not be published;

(p) To approve the change in the current weighting scheme of individual hardship factors and the modifications to the current criteria as recommended by the working group. Further, in accordance with the Commission's decision, the details of the scoring system of hardship classification should be kept confidential and not be published;

(q) To implement the revised hardship classification system on 1 January 2012 [A/66/30, para. 38].

Review of the level of the mobility, hardship and non-removal allowances

73rd session (July): The Commission reviewed an analysis of the application of three adjustment factors prepared by its secretariat:

(a) Movement of the net base salary plus post adjustment at headquarters duty stations, which produced an increase of 7.33 per cent;

(b) Movement of the out-of-area index, which produced an increase of 2.63 per cent;

(c) Movement of the base/floor salary scale, which produced an increase of 5.44 per cent.

In addition to the above, the Commission reviewed three options, which used as a basis, the preceding factors and results for increasing the current flat amounts of allowances under the mobility and hardship scheme for implementation on 1 January 2012. The Commission took note of the information pertaining to the review of the amounts payable under the mobility and hardship scheme.

The Commission decided:

(a) To grant a 2.5 per cent increase for the hardship allowance, the mobility allowance and the non-removal allowance, respectively, for implementation on 1 January 2012 (see annex III for revised amounts of allowances under the mobility and hardship scheme);

(b) That the additional non-family hardship element for staff serving in non-family duty stations should be adjusted by the same percentage as the hardship, mobility and non-removal allowances, for implementation on 1 January 2012 [A/66/30, para. 47].

The General Assembly in its resolution A/RES/66/235,

1. Recognized the hardship conditions under which staff members are often required to perform their official duties and the disruption that operationally required mobility may impose on staff;

2. Endorsed the decisions of the Commission relating to the mobility and hardship scheme as contained in paragraph 38 of its report;

3. Reaffirmed the importance of mobility as a means of developing a more versatile, multi-skilled and experienced international civil service that is capable of fulfilling complex mandates, and requested the Commission to provide an overview of the different existing mobility schemes in the organizations of the United Nations common system;

4. Took note of the decisions of the Commission contained in paragraph 47 of its report and annex III thereto, and decided, with effect from 1 January 2012, that a 2.5 per cent increase shall be granted for

the hardship, mobility and non-removal allowances, while the additional non-family hardship elements for staff serving in non-family duty stations shall be adjusted by the same percentage;

5. Also took note of the conclusions of the Commission with respect to the establishment of danger pay as contained in paragraph 59 of its report;

6. Further took note of paragraph 56 of the report of the Commission regarding the United Nations system-wide financial implications of the establishment of danger pay.

2012 **75th session (July):** In accordance with the decision of the Commission, at its seventy-fifth session, its secretariat presented a report which provided the results of the review that the secretariat had conducted with respect to "H" category duty stations and all field duty stations. The report contained an analysis of the current definition for "H" category duty stations. It concluded that it was not possible to establish a direct relationship between the current definition of "H" duty stations and the current list of "H" category countries and that it would therefore be necessary to explore other ways to classify "H" duty stations. Eight proposals for classification of "H" category duty stations were presented for the Commission's consideration [ICSC/75/R.10].

The Commission agreed that, based on its secretariat's detailed analysis, the current definition for "H" category was in need of revision and it therefore decided to explore a new basis for classifying "H" category duty stations.

The Commission decided to:

(a) Revise the current definition of "A" and "H" category duty stations under the mobility and hardship scheme and develop a new classification system;

(b) Request its secretariat to conduct a study in consultation with the organizations and staff federations on an appropriate classification system and a definition for "H" category duty stations based on the discussion that had been held at the current session, and to present a sound proposal thereon at its seventy-sixth session [ICSC/75/R.17, para. 46].

2013 **76th session (February/March:** The Commission's secretariat, in consultation with the organizations and staff federations, conducted a study to decide on a method for determining inclusion in the "H" category of duty stations. In this context, the Commission was presented with document ICSC/76/R.4 which provided details of the study and a proposed method, based on the criteria established for deciding group I duty stations under the post adjustment system combined with a qualitative assessment. The above document also proposed a definition for "H" category duty stations under the mobility and hardship scheme.

The Commission recognized the need for further consultation among its secretariat, the common system organizations and staff federations to allow sufficient reflection and careful consideration of the item. Hence, it considered that the tripartite working group for the classification of field duty stations should review the duty stations using the indicators and make recommendations on the use of those indicators for the existing hardship scheme to the Commission at the time of its mid-year review meeting, in June 2013. While noting that currently the mobility allowance was paid at H and A duty stations for career development purposes, the Commission was of the opinion that the mobility allowance should be paid on the basis of the needs of the organizations. Thus, the Commission agreed that the mobility allowance should be separated from the hardship allowance.

The Commission decided:

(a) To take note of the information provided in the note by the Secretariat, (ICSC/76/R.4 and Corr.1);

(b) To request the tripartite working group for the classification of field duty stations to consider this item at the mid-year review meeting, in June 2013, and report to the Commission at its seventy-seventh session on a technically sound proposal for classifying those duty stations currently designated as H and A for hardship on the basis of the conditions of life and work;

(c) To maintain the current mobility allowance for the time being and address it as part of the comprehensive review of the United Nations common system total compensation package [ICSC/76/R.10, para. 50].

77th session (July/August):

The Tripartite Working Group for the Classification of Field Duty Stations According to the Conditions of Life and Work convened its meeting to review "H" category duty stations from 10 to 12 June 2013 in New York, and agreed on a set of principles that should be adhered to when determining "H" category locations. The Group's report and principles are contained in document ICSC/77/R.5, annex IX.

The Commission decided:

(a) To take note of the work of the tripartite working group;

(b) To request its secretariat to continue its work on the issue in consultation with the organizations and staff, taking into account the views of the Commission as expressed in the present report [ICSC/77/R.15, para. 62].

SECTION 3.82
HARDSHIP ALLOWANCE

2016 *For years up to 2013, refer to Section 3.81. Mobility and Hardship allowance*

83rd session (July): The Commission conducted a review of the levels of existing allowances and a status of implementation of the new common system compensation package.

The Commission decided, inter alia: on a review schedule for the level of allowances under its purview. Accordingly, the hardship allowance would be reviewed every three years. [A/71/30, para. 92(a) and Annex IV].

2019 **89th session (July)**: The Commission decided: (a) To grant a 2 per cent increase in the hardship allowance with effect from 1 January 2020, in accordance with article 11 (b) of its statute (b) To conduct a study on the hardship allowance that would explore the possibility of changing the payment matrix to a flat amount, regardless of grade level, and to assess its impact on staff movements and programme delivery in the near future. (A/74/30, para. 130 and annex VII)

The revised amounts of 1 January 2020 would be:

Annual Hardship Allowance (U.S. dollars)

Category A: Group 1 (P-1 to P-3): - Group 2 (P-4 to P-5): - Group 3 (D-1 and above): -
Category B: Group 1 (P-1 to P-3): 5,930.00 Group 2 (P-4 to P-5): - 7,110.00 Group 3 (D-1 and above): 8,300.00
Category C: Group 1 (P-1 to P-3): 10,680.00 Group 2 (P-4 to P-5): 13,040.00 Group 3 (D-1 and above): 15,410.00
Category D: Group 1 (P-1 to P-3): 14,230.00 Group 2 (P-4 to P-5): 16,610.00 Group 3 (D-1 and above): 18,960.00
Category E: Group 1 (P-1 to P-3): 17,790.00 Group 2 (P-4 to P-5): 21,340.00 Group 3 (D-1 and above): 23,720.00

The General Assembly, noted the decision of the Commission, in accordance with article 11 (b) of its statute, to increase the amount of hardship allowance by 2 per cent with effect from 1 January 2020 [A/RES/74/255B].

2022 **93rd session (March-April)**: At its ninety-third session, the Commission reviewed the level of the hardship allowance that was set on 1 January 2020, in accordance with its decision in 2016 on the cycle for the review of the level of allowances under its purview. In its review of the level it considered three factors:

(a) Average movement of the net base salary plus post adjustment at the eight headquarters of the United Nations system, which produced an increase of 6.6 per cent;
(b) Movement of the out-of-area index used for post adjustment based on inflation factors in 26 countries, which produced an increase of 5.2 per cent;
(c) Movement of the base/floor salary scale, which produced an increase of 3.1 per cent. [A/77/30]

The Commission decided to grant a 3.1 per cent increase to the hardship allowance, effective from 1 January 2023, in accordance with article 11 (b) of its statute. [A/77/30, para. 219]

The General Assembly, in resolution 77/256, invited the Commission to reconsider its decisions on,

inter alia, the levels of the hardship allowance and to assess the calculating methodologies based on the outcome of the next comprehensive compensation review. [A/RES/77/256/A-B]

SECTION 3.83
MOBILITY ALLOWANCE/INCENTIVE

2015 **80th session (March):** A working group established by the Commission in the context of its comprehensive review of the compensation system for Professional and Higher categories of staff recommended that the mobility allowance be replaced with a mobility incentive.

81st session (July-August): The Commission considered any transitional measures as may be necessary upon implementation of the new mobility incentive.

The Commission decided to recommend a mobility incentive in lieu of the current mobility allowance to encourage mobility of staff to field duty stations, with annual payments for a maximum period of five years at the same duty station. The mobility incentive would be structured in the following manner: (a) To apply to staff with five consecutive years of prior service in a common system organization and from their second assignment (that is, the first geographical move); (b) To exclude "H" duty stations from the mobility incentive; (c) To discontinue payment for past moves. The Commission further decided to recommend, as a transitional measure, continuation of current amounts of the mobility allowance for up to five years at the same duty station for staff who moved before the implementation of the new incentive, or until they moved to a different duty station. It also decided to revisit the mobility incentive after five years to re-evaluate the need for it. (A/70/30, para. 431-432).

The General Assembly:, approved the new mobility incentive to encourage mobility of staff to field duty stations, as recommended by the Commission in paragraphs 129 and 431 of its report, which would apply to staff with five consecutive years of prior service in an organization of the common system and from their second assignment, and which would exclude category H duty stations; and decided to increase the proposed mobility incentive by 25 per cent upon the fourth assignment of a staff member and by 50 per cent upon the seventh assignment; .[A/RES/70/244]

2016 **83rd session**: The Commission conducted a review of the levels of existing allowances and a status of implementation of the new common system compensation package.

The Commission decided to: (a) Review the level of allowances under its purview in accordance with the schedule outlined in annex IV to the report; (b) Reiterate that the mobility incentive was subject to review regarding its continued need five years from the implementation of the revised compensation package (i.e., in 2021) (A/71/30, para.92 and Annex IV).

2019 **89th session**: The Commission decided: (a) To set the lower limit of the mobility incentive to $6,700 per year and apply the resulting matrix as outlined in the table in paragraph 142, with effect from 1 January 2020; (b) To review the level of the mobility incentive again in three years in accordance with the established schedule (see A/71/30, annex IV), subject to the outcome of the review of its purpose in 2021 (A/74/30, para. 152).

The revised amounts as of 1 January 2020 were as follows:

Annual Mobility Incentive (U.S. dollars) as of 1 January 2020

Assignment Number Additional amounts Group 1 (P-1 to P-3) Group 2 (P-4 to P-5) Group 3 (D-1 and above)
2 to 3 None 6,700 8,375 10,050
4 to 6 25 per cent 8,375 10,469 12,563

The General Assembly:

Noted the decision of the Commission, in accordance with article 11 (b) of its statute, to set the lower limit of the mobility incentive to 6,700 United States dollars per year and apply the resulting matrix, as outlined in paragraph 142 of the report of the Commission, with effect from 1 January 2020;

Also noted paragraph 144 of the report of the Commission on its plan for a review of the mobility incentive in 2021, and urged the Commission to conduct a thorough review of the purpose, effectiveness and efficiency of the current mobility incentive programme in encouraging the mobility of staff to field duty stations and to report in detail on the outcome of the review in its report for 2021;

Encouraged the organizations of the United Nations common system to consider the application of alternative administrative measures, including non-financial incentives, to promote staff mobility [A/RES/74/255 B]

2021 92nd session (August): At its ninety-second session, in accordance with GA resolution 74/255, the Commission considered a report by its secretariat on the purpose, effectiveness and efficiency of the current mobility incentive programme. The report contained information on the views of the organizations on the mobility incentive, provided statistical data relating to the level of geographical mobility, and examined the continued need for the mobility incentive and its relevance to strengthening the culture of mobility in the common system.

According to the report, most organizations noted that the mobility incentive encouraged geographical mobility, supported effectiveness of the organization, and performance and efficiency of programme delivery. The field-based organizations, in particular, underscored that the encouragement of mobility enabled them to deliver their mandates. Almost all organizations found the mobility incentive to be a tool to attract, manage, develop, deploy and retain talent.

The report also noted that in 2013 and 2019, the Commission conducted global staff surveys with the purpose of seeking staff views on the compensation package. In 2019, 78 per cent of respondents indicated that they were in receipt of the mobility incentive or were aware of it. In the same year, 65 per cent of respondents indicated being mobile (i.e., served in two or more duty stations continuously for one year or more), representing an 11 per cent increase compared with 2013.

With regard to organizational policies and practices, the review showed an increase in the number of organizations that reported having a formal mobility scheme, with an 89 per cent increase since 2012. Furthermore, the report found that in 2019, the average number of assignments was 1.73, compared with 1.75 in 2015. The number of assignments varied among organizations. For example, the average assignment number in the United Nations and its funds and programmes ranged from 1.00 (UNOPS) to 3.46 (WFP). Among specialized agencies with a field presence, the average assignment number ranged from 1.00 (IFAD) to 1.65 (ILO). [A/76/30]

The Commission decided to:

(a) Take note of the information provided relating to the purpose, effectiveness and efficiency of the mobility incentive and existing mobility policies and practices, and mobility levels in the organizations of the United Nations common system;
(b) Recognize that staff mobility requirements vary according to the mandates, size, operational needs, programmes and activities of the organizations of the United Nations common system;
(c) Note the purpose of the mobility incentive as a powerful tool for enhancing a mobility culture in the common system;

(d) Review the mobility incentive after five years to re-evaluate the need for such an incentive, with the expectation that, by that time, all organizations in the common system, in particular organizations with a field presence, would have a fully developed mobility culture;
(e) Take note of General Assembly resolution 74/255 B, by which the Assembly encouraged the organizations of the United Nations common system to consider the application of alternative administrative measures, including non-financial incentives, to promote staff mobility. In that regard, the Commission encouraged the organizations to further consider linking mobility to staff development and career progression, to the extent possible. [A/76/30, para. 95]

2022
93rd session (March-April): At its ninety-third session, the Commission reviewed the level of mobility incentive, in accordance with the current three year review cycle. On the basis of the applicable net base salaries effective 1 January 2022, and the latest available staff data from the CEB personnel database as at 31 December 2020, the mobility incentive for the P-1 to P-3 grade band (for 2 to 3 assignments) amounted to $6,900 per year, which corresponded to 100 per cent of the weighted average monthly net base salary, and represented an increase from the 2019 incentive amount of $6,700. Accordingly, the P-4 and P-5 grade band was set at 125 per cent of the limit ($8,625) and the amount for staff at the D-1 and above levels was set at 150 per cent of the limit ($10,350), with incentive increases of 25 per cent and 50 per cent upon the fourth and seventh assignments, respectively.

The financial implications associated with the proposed increase in the mobility incentive, effective from 1 January 2023, were estimated at $2.5 million per annum, system-wide. [A/77/30]

The Commission decided:
(a) To approve the amounts in the mobility incentive matrix, with effect from 1 January 2023;
(b) To review the level of the mobility incentive again in three years' time in accordance with the established schedule. [A/77/30, para. 228]

The General Assembly, in resolution 77/256, invited the Commission to reconsider its decisions on, inter alia, the mobility incentive and to assess the calculating methodologies based on the outcome of the next comprehensive compensation review. It also recalled section E, paragraph 3, of its resolution 74/255 B, and reiterated its encouragement to the organizations of the United Nations common system to consider the application of alternative administrative measures, including non-financial incentives, to promote staff mobility, and the linking of mobility to staff development and career progression, to the extent possible. [A/RES/77/256/A-B]

SECTION 3.84
NON-FAMILY SERVICE ALLOWANCE (INCLUDES DISCONTINUED ADDITIONAL HARDSHIP ALLOWANCE)

2015 **81st session (July-August):** In the context of the comprehensive review of the compensation system, the Commission considered several proposals, between its seventy-ninth and eighty-first sessions, for a revised hardship allowance which was introduced on 1 July 2011. At its eighty-first session, the Commission reviewed a new proposal for the additional hardship allowance and considered renaming the allowance to "non-family service allowance", differentiating the amount for the allowance by staff with dependents and staff with no dependents in order to establish a rational and balanced field package. It was also proposed that the revised amounts of the allowance would be effective immediately upon the approval of the General Assembly.

The Commission decided:

(a) To differentiate the amount for the non-family service allowance by staff with dependents and staff with no dependents, as follows:

(i) Staff with eligible dependents: $19,800/year ($1,650/month);

(ii) Staff with no dependents: $7,500/year ($625/month).

(b) That transitional measures were not needed. [A/70/30, para. 421]

The General Assembly decided to approve the new non-family service allowance, in lieu of the existing additional hardship allowance, as described in paragraph 421 of the report of the Commission and underlined that no transitional measures would be put in place for this allowance [A/RES/70/244 Section III, para. 47]

2016 **83rd?session?(July/August)**: The Commission considered review cycles for the levels of existing allowances; the non-family service allowance (previously additional hardship allowance) was proposed to be reviewed every 3 years, beginning from the date of implementation of the new non-family service allowance matrix. The amounts would be adjusted using rent data under the post adjustment system (i.e., the same basis as for the new payment matrix).

The Commission, inter alia, decided to review the level of allowances under its purview in accordance with the schedule outlined in annex IV of its forty-second annual report [A/71/30, Annex IV].?

2017 **85th session (July)**: In the context of the Commission's considerations on the hardship classification methodology, the field-based organizations in the Human Resources Network raised the issue of duty stations with a hardship classification of D or E that were not designated as non-family duty stations (i.e., duty stations with extreme hardship conditions). The Commission discussed whether the organizations could offer some flexibility to staff members in such locations, so that staff members could either take their families with them and receive installation-related allowances, or not take their families and receive the non-family service allowance instead. The Commission was also of the view that the organizations could work on those aspects alongside other duty-of-care initiatives discussion on the conditions of service in the field: duty stations with extreme hardship conditions.

85th session (July): In the context of the Commission's considerations on the hardship classification methodology, the field-based organizations in the Human Resources Network raised the issue of duty stations with a hardship classification of D or E that were not designated as non-family duty stations

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2018 **86th session (March):** At its eighty-sixth session, the Commission reviewed a report submitted by the Human Resources Network on duty stations with hardship classifications of D or E that were not designated as non-family. In that report, the Network pointed out the responsibility of United Nations organizations as employers regarding the duty of care to staff and their families. Offering adequate alternative arrangements that supported the well-being of staff and their families was seen as an essential element of the United Nations duty of care to staff members.

The Commission decided:

(a) to request more data from the Human Resources Network on the issue of separation from family in difficult duty stations that were not designated as non-family; and

(b) that the issue should be examined by a working group.

87th session (July): At its eighty-seventh session, the Commission reviewed a report of the working group, which met in June 2018 and was composed of five members of the Commission, five organizations (the United Nations, UNHCR, UNICEF, UNDP and WFP), staff federations (FICSA, CCISUA and UNISERV) and the ICSC secretariat. The working group had submitted three options for the Commission's consideration.

The Commission decided that:

(a) The option of whether to install eligible dependents in duty stations classified at hardship levels D or E that were not designated as non-family duty stations should be left to the staff member;

(b) The need expressed by organizations and staff federations should be addressed by providing a reduced amount of the non-family service allowance, in the amount of $15,000 per year, for staff members with eligible dependents to help to defray the costs of maintaining those dependents elsewhere;

(c) The above-mentioned amount would be granted to a staff member who requested such an allowance at the time of taking up an assignment in a D or E duty station not designated as non-family in lieu of the option to install the eligible dependants at the duty station;

(d) If any eligible dependent was installed in the duty station, the allowance would not be payable;

(e) The allowance would be reviewed following the full implementation of the revised hardship methodology upon the completion of the cycle, which ends in 2019.

The Commission stressed the importance of receiving data from the organizations on the utilization rate of the option to facilitate the review as mentioned in paragraph (e) above [A/73/30, paras. 156 and 157].

The General Assembly decided:

to grant, on a pilot basis, an amount of 15,000 United States dollars for staff members with eligible dependants in duty stations with E hardship classification conditions only, as specified in paragraphs 156 (a), (c) and (d) of the report of the Commission for 2018, and requested the Commission to submit to the General Assembly at its seventy-fifth session a recommendation on this payment, including on its continuation, based on a review of the impact thereof, including workforce planning, in different categories of duty stations, including non-family duty stations, and the actual cost to the organizations.[A/RES/73/273]

2019 **89th?session (July-August)**: The Commission reviewed the levels of the non-family service allowance.

The Commission decided:

(a) To maintain the current levels of the non-family service allowance at $19,800 per year for staff with eligible dependents and $7,500 for staff without eligible dependents.

(b) To review the level of the allowance again in three years;

(c) To request its secretariat to compile a document outlining details of the adjustment methodology for the allowances included in the review schedule for ease of future reference, by the time of the next review, in 2022.

2022 93rd session (March-April): At its ninety-third session, the Commission reviewed the level of non-family service allowance, in accordance with the established three year review cycle. The previous review was carried out in 2019, at which time the level of the allowance was maintained at $19,800 per year for staff with eligible dependants and at $7,500 per year for staff without dependants.

The review carried out in 2022 was in accordance with the adjustment methodology approved by the Commission, which stipulates that the rent data under the post adjustment system are to be used. The ICSC secretariat conducted a review of the level of the allowance by carrying out a detailed analysis of the rent data and calculated an average global rent for a dwelling size of up to and including two bedrooms from the latest survey in each duty station for the three years preceding the review (2019–2021), excluding countries with non-family duty stations. The resulting average global rent amount was $1,653 per month, or $19,836 per year, which was slightly higher than the current non-family service allowance of $19,800 per year, for staff members with eligible dependants. [A/77/30]

The Commission decided:
(a) To maintain the current levels of the non-family service allowance at $19,800 per year for staff with eligible dependants and at $7,500 per year for staff without eligible dependants;
(b) To review the level of the allowance again in three years' time in accordance with the established schedule. [A/77/30, para. 237]

SECTION 3.85
SPECIAL MEASURES FOR D AND E HARDSHIP DUTY STATIONS

2018 **86th session (March)**: At its eighty-sixth session, the Commission reviewed a report submitted by the Human Resources Network on duty stations with hardship classifications of D or E that were not designated as non-family. In that report, the Network pointed out the responsibility of United Nations organizations as employers regarding the duty of care to staff and their families. Offering adequate alternative arrangements that supported the well-being of staff and their families was seen as an important element of the United Nations duty of care to staff members.

The Commission decided:

(a) to request more data from the Human Resources Network on the issue of separation from family in difficult duty stations that were not designated as non-family; and

(b) that the issue should be examined by a working group.

87th session (July): At its eighty-seventh session, the Commission reviewed a report of the working group, which met in June 2018 and was composed of five members of the Commission, five organizations (the United Nations, UNHCR, UNICEF, UNDP and WFP), staff federations (FICSA, CCISUA and UNISERV) and the ICSC secretariat. The working group had submitted three options for the Commission's consideration as follows:

Option A: To provide an amount that corresponded to the full amount of the non-family service allowance to the D and E duty stations which were not designated as non-family. The allowance would apply only to those duty stations assessed by the competent United Nations medical authority as having no or minimal health infrastructures or that were characterized by severe isolation conditions and promulgated by the Commission (currently 41 duty stations), where internationally recruited staff would be precluded from installing eligible dependents. If any eligible dependent was installed in the duty station, the allowance would not be payable.

Option B: To provide the option to staff members to install or not to install eligible dependents at those D and E duty stations assessed by the competent United Nations medical authority as having no or minimal health infrastructures or that were characterized by severe isolation conditions as approved by the Commission A/73/30 18-13294 45/58 (currently 41 duty stations). In that case, if the staff member opted not to install any eligible dependent, an allowance would be granted, and the level would be set at the same amount as the non-family service allowance or at a lesser amount. If any eligible dependent were installed in the duty station, the allowance would not be payable.

Option C: To provide the option that allowed staff members to install or not to install eligible dependents at duty stations that were classified as D or E and were not designated as non-family by the Commission (currently 71 duty stations). In that case, if the staff member did not install any eligible dependent, an allowance would be granted at the level of the non-family service allowance amount. If any eligible dependent were installed in the duty station, the allowance would not be payable.

The Commission decided that:

(a) The option of whether to install eligible dependents in duty stations classified at hardship levels D or E that were not designated as non-family duty stations should be left to the staff member.

(b) The need expressed by organizations and staff federations should be addressed by providing a reduced amount of the non-family service allowance, in the amount of $15,000 per year, for staff members with eligible dependents to help to defray the costs of maintaining those dependents elsewhere.

(c) The above-mentioned amount would be granted to a staff member who requested such an allowance at the time of taking up an assignment in a D or E duty station not designated as non-family in lieu of the option to install the eligible dependents at the duty station.

(d) If any eligible dependent were installed in the duty station, the allowance would not be payable.

(e) The allowance would be reviewed following the full implementation of the revised hardship methodology upon the completion of the cycle, which ends in 2019.

The Commission stressed the importance of receiving data from the organizations on the utilization rate of the option to facilitate the review as mentioned in paragraph (e) above [A/73/30, paras. 156 and 157].

The General Assembly decided:

to grant, on a pilot basis, an amount of 15,000 United States dollars for staff members with eligible dependents in duty stations with E hardship classification conditions only, as specified in paragraphs 156 (a), (c) and (d) of the report of the Commission for 2018, and requested the Commission to submit to the General Assembly at its seventy-fifth session a recommendation on this payment, including on its continuation, based on a review of the impact thereof, including workforce planning, in different categories of duty stations, including non-family duty stations, and the actual cost to the organizations.[A/RES/73/273]

2019 **89th session (July-August)**: The Human Resources Network and all three staff federations took note of the decisions of the General Assembly. The Network concurred with the statement of the Under-Secretary-General for Management Strategy, Policy and Compliance regarding the need to extend the reduced non-family service allowance to staff members serving in difficult family duty stations classified as D that were not designated as non-family. The Network strongly encouraged ICSC to continue its work on that matter and added that the organizations of the common system were committed to making the agreed pilot a success to convince the General Assembly of the necessity of the proposals presented in the annual report of the Commission. (A/74/30, para. 19).

SECTION 3.86
SECURITY EVACUATION ALLOWANCE

2006 61st session (July): The Commission decided to recommend that the current practices governing extended monthly security evacuation allowance be retained.
[A/61/30/Add.1, para. 47]

2012 75th session (July): The Commission decided:
(a) To approve the definition and purpose of a security evacuation allowance as follows: the purpose of security evacuation allowance is to assist in offsetting direct added expenses of staff members and their eligible family members who are evacuated from their official duty stations;
(b) To establish the amounts for the security evacuation allowance at $200 per day in respect of the staff member and $100 per day in respect of each eligible family member for up to 30 days, and thereafter $150 and $75, respectively, for a maximum period of six months, following which the evacuation is normally either lifted or a duty station is declared as non-family; and a single lump sum shipping element of $500 would apply when the staff member or his/her family is evacuated;
(c) To apply an extended monthly security evacuation allowance set at the same amount as that provided under the additional hardship allowance payable at non-family duty stations when an evacuation continued beyond six months, and the duty station had not been declared as a non-family duty station;
(d) That a duty station could be declared as "non-family" prior to the six month mark following evacuation, after recalling its decision in paragraph 246 of its annual report for the year 2011 (A/66/30). The Commission decided to specifically have the situation assessed at the three-month mark. At that time, the UnderSecretary-General for Safety and Security would review the situation and advise the Chair of the Commission. At the six-month mark the definitive decision on the family or non-family status would normally need to be made by the Chair of the Commission after consultation with the Department of Safety and Security;
(e) To establish a review cycle for the evacuation allowance and the extended security evacuation allowance every three years at the same time as the review of the amounts for mobility and hardship allowances;
(f) To request its secretariat to prepare a document outlining the guiding principles, scope, applicability, eligibility and related procedures of the security evacuation allowance for the approval by the Commission at its seventy-seventh session.
[A/67/30, para. 265]

2013 77th session (July): The Commission aproved the security evacuation allowance (SEA) and agreed on a global amount of US$ 200 per day in respect of the staff member, and $100 (50 per cent) in respect of each eligible family member, for up to 30 days. After 30 days, the amounts were reduced by 25 per cent, to $150 and $75, respectively, for a maximum period of six months, following which the evacuation would normally either be lifted or the duty station would be declared as non-family.
The Commission decided:
(a) To approve the security evacuation allowance text on the scope, applicability, eligibility and related procedures as contained in annex VII to the report A/68/30;
(b) To request its secretariat to inform the Department of Safety and Security that the scope, applicability, eligibility and related procedures of the security evacuation allowance would be regulated by the Commission
[A/68/30, para. 142]

2016 83rd session (July): Tte Commission recalled that a five-year review timeline had been set for the mobility incentive in order to decide on its continued need, which was not about the level per se. The Commission wished to retain the distinction between the review of the level of allowances and the review of their continued need. The Commission decided that review of the level of the Security

Evacuation Allowance (SEA) would be every three years starting in 2017 since it had not been reviewed since its establishment on 2012.
[A/71/30, para. 83]

2017 85th session (July): The Commission decided to:
(a) Maintain the security evacuation allowance at its current level of $200 per day in respect of the staff member, and $100 per day in respect of each eligible family member, for up to 30 days, and thereafter $150 and $75, respectively, for a maximum period of six months; and of a single lump sum shipping element of $500 applicable when the staff member or his/her family was evacuated;
(b) Request its secretariat to update the guidelines on security evacuation allowance originally contained in annex VII to the annual report of the Commission for 2013 (A/68/30), as appropriate. Furthermore, in the event that an evacuation continued beyond six months, and the duty station had not been declared as a non-family duty station, an extended monthly security evacuation allowance, set at the same amount as that provided under the non-family service allowance3 payable at non-family duty stations, would be applicable.
[A/72/30, para. 192]

2020 90th session (July): The Commission decided:
(a) To maintain the security evacuation allowance at its current level of $200 per day in respect of the staff member and $100 per day in respect of each eligible family member for up to 30 days and thereafter $150 and $75, respectively, for a maximum period of six months; and of a single lump sum of $500 for shipping, applicable when the staff member or his or her family was evacuated;
(b) To conduct the next review of the level of the security evacuation allowance in 2023, in accordance with the established schedule.
[A/75/30, para. 149]

SECTION 3.90
ASSIGNMENT GRANT

2020 Refer to Section 4.30 - Travel, removal and shipment entitlements

CHAPTER 4
OTHER ENTITLEMENTS AND BENEFITS

SECTION 4.10
EDUCATION GRANT

1975 **2nd session (August)**: ICSC had before it a document prepared by CCAQ *(ICSC/R.19)*, with the endorsement of ACC, providing evidence of the increase in the costs incurred by expatriate staff for the education of their children, which they requested ICSC to consider with a view to making recommendation to the GA at its 30th session for an increase in the amount of the education grant. In the document it was recalled that the purpose of the education grant was to compensate expatriate staff for part of the extra costs of education of their children occasioned by expatriation. Allowable costs incurred by staff members were reimbursable in the proportion of 75 per cent, up to a maximum reimbursement the amount of which had been fixed by the GA in 1972 at $1,500. In 1974, the organizations had submitted to ICSAB evidence of the increase of educational costs in the major headquarters countries and data as to the number of cases where the costs incurred by parents exceed $2,000, i.e., the amount which gave rise to the maximum reimbursement. They had proposed that the maximum of the grant be increased to $2,000, but ICSAB had decided to make no recommendation to the GA, having regard to the substantial increase granted the previous year and to the relatively small number of cases in which the existing maximum was found insufficient. The figures in document ICSC/R.19, updated to the scholastic year 1974-1975 and with indications of school fees already announced for 1975-1976, showed very considerable further increases in educational costs *[A/10030, paras. 66 and 67]*. ICSC was of the view that the case for increasing the grant in 1975 as a matter of urgency had not been fully made. It decided therefore so to inform the GA, on the understanding that it would revert to the matter in the context of its general review of the salary system on the basis of more complete data, in conjunction with the other changes in the conditions of the education grant recommended by the Special Committee *[A/10030, para. 72]*.

1976 **3rd and 4th sessions (February/March and July/August)**: ICSC reviewed the education grant in the framework of the general review of the salary system and noted that: From the beginning the purpose of the grant had been very precisely defined, i.e. to help staff members meet the extra costs which they incur for the education of their children specifically as a result of their expatriation in UN service. The grant was available only for those expenses which the parent would not have had if he had remained at home in national service. Entitlement to the grant had always been strictly limited to expatriate staff members *[A/33/30, para. 212]*. The basic justification for making special provision for the education of children of expatriate staff had always been to enable the parents to educate their children, if they so desire, "in such a way that they (do) not become alienated from their national system of education" and "are able to fit naturally into the life of their own country, when they return to it, whether for further education, to take up employment, or in any other way to make a life for themselves" *(quoted from the report of ICSAB, CO-ORD/CIVIL SERVICE/6, reproduced in A/2996)*. Beyond these practical considerations lay the parent's right to have his/her children educated in a fashion compatible with his/her own religious, philosophical or political beliefs and with the culture of his/her own country. From the point of view of the organizations, it would be a serious obstacle to recruitment of staff for international service if candidates were not assured that the organization would provide some assistance to these ends. Still less would it be desirable that the children of international civil servants should develop into a cosmopolitan class deprived of national roots *[A/33/30, para. 214]*.

The principle that the organizations should help expatriate staff to meet the extra costs and other problems which they faced in providing for their dependent children an education that would enable them eventually to be assimilated in their own country when they return to it, either for further education or to find employment, had been recognized since 1946. The 1971-1972 Special Committee

had reaffirmed that basic principle. At first restricted to education in the home country, eligibility for the grant was successively extended, in 1947, to a special national school or an international school in the area of the duty station and, in 1961, to a school or university in any country, except that universities in the country of the duty station were excluded. The amount of the grant rose from the 1946 level of $144 a child to 75 per cent of approved costs subject to a maximum of $1,000 in 1969 *[A/31/30, para. 175]*.

ICSC recommended that: (a) the conditions of eligibility for the education grant should be revised so as to enable an expatriate staff member to claim in respect of expenses of education of a child at a university in the country of the staff member's duty station; (b) the percentage of approved costs reimbursable under the provisions of the grant should be revised as follows: expenses up to $2,000: 75 per cent; expenses between $2,001 and $3,000: 50 per cent; expenses between $3,001 and $4,000: 25 per cent; (c) the flat amount allowable for boarding expenses in case of attendance at an educational institution outside the duty station where the institution did not provide board should be increased from $650 to $750.

ICSC did not recommend any change in the existing age limit of eligibility for the education grant, but indicated that it might re-examine the question at some appropriate future date. It would revert to the special needs of field staff in relation to the education of their children in connection with its study of conditions of service in the field, and would also re-examine the special case of handicapped children *[A/31/30, paras. 75 and 76]*.

The recommendation regarding the scale of reimbursement of approved costs was adopted by the GA by **resolution 31/141 B**. The recommendation to remove the bar on reimbursement of costs of attendance at a university in the country of the staff member's duty station was not accepted by the GA, which, in the same resolution requested ICSC "to re-examine in the light of the views expressed in the Fifth Committee at the current session ... (c) the need for an allowance for post-secondary education of children of expatriate staff and, in particular, the need for an allowance to cover education in countries other than the home country of the staff member" *[A/33/30, para. 206]*.

1978 **7th and 8th sessions (February/March and July)**: ICSC reviewed the evolution of the scope of the education grant and the request of the GA regarding post-secondary studies. It noted that the concept of the education grant had changed and broadened since 1946. ICSC attempted to assess whether the successive extensions which the GA had approved in previous years were still justified in the circumstances. It was convinced that studies in the country of the staff member's duty station were equally worthy of assistance, to enable staff members to keep their children with them during their school years. ICSC believed that parents must have the possibility, while keeping their children with them, of choosing for them an education which would make their ultimate reassimilation into the home country easier than if they had been educated in the national schools of the duty station country and which might also reduce the inconveniences of changes from one educational system to another when the parent was transferred from one duty station to another. ICSC was satisfied that, in contributing to the costs of such education at international schools or other special schools at the duty station, the organizations were properly compensating for additional expenses occasioned by expatriation and were not relieving the parents of their normal responsibility *[A/33/30, para. 219]*. ICSC was also satisfied that the extension of the scope of application of the education grant which had occurred since 1946 as regards primary and secondary education was justified. By imposing no restriction on the place where the primary or secondary schooling was to take place, the rules respect the right of parents to choose the kind of education they judge most suitable for their children. Finally, ICSC found no merit in the charge that the education grant discriminated against non-expatriate staff in that they were

not eligible for it as their expatriate colleagues were. There would be no basis in terms of national practice for the organizations to provide them with financial assistance *[A/33/30, paras. 222 and 223]*.

The GA request was related to ICSC's recommendation for the removal of the exclusion of university studies in the country of the staff member's duty station from eligibility for reimbursement under the terms of the grant. The exclusion of university studies in the duty station country had been decided in 1961 when the conditions limiting the choice of country for other studies were relaxed. The irrationality of the exclusion and its counter-productive effects had been pointed out by the 1971-1972 Special Committee and by ICSC in 1976: families were unnecessarily separated in order to benefit from the grant and the costs for the organizations were higher, not lower. ICSC concluded, therefore, that, if university studies continued to be recognized for the purpose of the education grant and studies in both the home country and third countries were admitted, it would be illogical and counter-productive to continue to exclude university studies in the duty station country. Subject, therefore, to the conclusion which may be reached on the more fundamental question, ICSC recommended that this exclusion be removed *[A/33/30, paras. 225 and 226]*.

ICSC further concluded that if the GA since 1946 had decided that post-secondary studies up to a certain age-limit should be eligible for reimbursement under the education grant, it would have to have very strong reasons for recommending now a change in that constant policy. ICSC concluded that in light of the general trend towards expansion of post-secondary education, it would be anomalous to adopt a position more restrictive than that of 30 years ago. ICSC also re-examined the question of the upper limit of eligibility for the grant. Many members believed that the replacement of an age limit by the formula "up to the end of the fourth year of post-secondary studies or the award of the first recognized degree, whichever is the earlier" would be the most logical and realistic solution. ICSC was aware that there were great differences in the average ages at which the different levels of studies were completed in different countries and was concerned not to adopt any formula which might prove unfavourable to parents coming from countries where both secondary and post-secondary studies tended to end later than in the countries of Europe and North America. It therefore decided to study this question further from both statistical and pedagogical standpoints, and meanwhile to recommend no change in the existing age limit of 21 years (together with the existing provision that, in case of interruption of studies for at least one year by illness or for national service, the limit may be exceptionally extended by the amount of the interruption) *[A/33/30, para. 234]*.

ICSC also considered the degressive scale of reimbursement approved by the GA at its 32nd session. It found no need to propose any change in the scale *[A/33/30, para. 236]*. ICSC noted that in circumstances of generally rising costs, the value of the grant to staff members showed an actual decline in many of the currencies in which the costs it was intended to reimburse were incurred. It observed that, where the dollar had depreciated in relation to the local currency, the same level of education costs in local currency represented a larger dollar equivalent and so, by the application of the dollar ceilings on the successive brackets of the grant, the amount in local currency reimbursed to the staff member decreased, as did the value of the grant to him as a proportion of his expenses. ICSC recommended to the GA that when, for the purpose of applying the scale of reimbursements approved for the education grant, the expenses incurred by a staff member in a currency other than the US dollar and of which he claims reimbursement, were converted into dollars, the rate of exchange used should be whichever was the higher (i.e. yields more units of local currency for the dollar) of that which was in force at the date when the existing scale of reimbursements came into effect (i.e. in the that instance, 1 January 1977) or that in force at the date when the reimbursement was effected, the same rate used in converting the dollar amount to be reimbursed into local currency for payment *[A/33/30, paras. 238 and 239]*.

ICSC recalled that the existing provisions for payment of travel expenses of a child in respect of whom education grant was being paid for studies away from the duty station enabled the child to be reunited with the parents once in each academic year which, together with the parents' entitlement to home leave, permitted three family reunions in each two-year period. FICSA had urged that the frequency of education grant travel be increased to permit two family reunions in each year. CCAQ, however, believed that this particular travel entitlement should not be looked at separately from others, in particular the home leave entitlements. ICSC concurred with this view and so decided to recommend no change on the present occasion *[A/33/30, para. 280]*.

The GA adopted the ICSC recommendations by **resolution 33/119** but decided, *inter alia*, that the existing age limit for eligibility to the education grant should be replaced by the formula "up to the end of the fourth year of post-secondary studies or the award of the first recognized degree, whichever is the earlier".

1979 **9th session (February/March)**: ICSC noted that the GA had gone farther than ICSC in one respect, that of the upper limit of eligibility for the education grant, deciding that the existing age limit for eligibility to the education grant be replaced by the formula "up to the end of the fourth year of post-secondary studies or the award of the first recognized degree, whichever is the earlier" *[A/34/30, para. 28]*.

1980 **12th session (July/August)**: ICSC had before it document ICSC/R.234, submitted by FICSA containing recommendations for adjustments in the reimbursement scheme of the education grant. ICSC recalled that its earlier recommendations were based, *inter alia*, on the consideration that system-wide reimbursements would amount to some 73 per cent of total costs incurred by eligible staff *[A/35/30, para. 149]*. ICSC investigated an interim solution which would bring about approximately the same overall reimbursement percentage (73 per cent) which ICSC had considered adequate on the occasion of its last review. In this respect, ICSC aimed at reducing the financial implications of the FICSA proposal which had raised the overall reimbursement ratio to above 73 per cent. ICSC agreed on a formula which kept this ratio to some 72 per cent and decided to keep this matter under review at three-year intervals. It recommended to the GA that: (a) the percentages of approved costs reimbursable under the provisions of the grant should be 75 per cent up to the first $3,000; 50 per cent for costs between $3,001 and $4,000; and 25 per cent for costs between $4,001 and $5,000; subject to the provision that in respect of disabled children 75 per cent of approved costs up to $5,000 should be reimbursable; (b) the flat amount payable for boarding costs should be increased from $750 to $1,000; (c) the currency floor as established in 1977 to be maintained without change *[A/35/30, para. 153, 154 and 156]*.

In the context of its review of the conditions of service in the field, ICSC considered that where the educational facilities were such that international staff had no option but to send their children outside the duty station country for schooling, then special treatment was justified by providing for travel of the child between the duty station and the place of schooling twice in the year in which the parent is not entitled to home leave. Such special treatment should be provided only for eligible staff members serving in field duty stations. ICSC recommended that the staff regulations of the organizations should be modified, with effect from 1 January 1981, to provide for travel of the child between the duty station and the place of schooling twice in the year in which the parent was not entitled to home leave in those field duty stations where there were no schools which provided schooling in the language or in the cultural tradition desired by the staff members for their children. The overall number of family reunions permitted at the organization's expense would thus be raised to four in a two-year period instead of three. ICSC would determine which duty stations were eligible for such a provision on the basis of an analysis of the replies to questionnaires used for the classification of duty stations according to conditions of life of work (see section 7.20).

The GA adopted the revised scale of reimbursement and additional education grant travel by **resolution 35/214**, and requested ICSC to review the possibility of extending the education grant to all internationally recruited staff, wherever they might serve relating to education facilities *[A/35/30, paras. 225 and 226]*.

1981 The GA, by **resolution 36/233**, requested ICSC to undertake a review of the "scope and purpose of the education grant".

1982 **16th session (July)**: ICSC reviewed the history and the development of the grant from its establishment in 1946 (at the first session of the GA through the recent review made by ICSC itself). A study by its secretariat reviewed the history of the education grant and noted that it had always been regarded as an expatriate element of compensation. ICSC's attention was drawn, however, to two possible areas in respect of which further extension of the grant could be considered: (a) the upper age-limit to the grant; (b) staff members in the P and higher categories who received the grant while they were expatriates but lost entitlement to it upon reassignment to their home country *[A/37/30,para. 192]*. In order to assist the immediate problems of reassimilation of those staff members into their home environment, ICSC recommended to the GA, that application of the grant to nationals returning to their home country following an assignment elsewhere should be allowed for the balance of a school year, not exceeding one full school year after their return from overseas service *[A/37/30, para. 198]*. The GA, by **resolution 37/126:** (a) decided that the education grant should remain an expatriate benefit to be granted to all UN expatriate officials but that nationals returning to duty stations in their home country following an assignment elsewhere might receive the grant for the balance of a school year, not exceeding one full school year after their return from expatriate service; (b) requested ICSC to keep the question of the education grant under review, particularly in regard to the situation of officials subject to rotation between HQ and other duty stations and taking account of the views expressed by delegations during the debate.

1983 **17th session (March)**: In the framework of its periodic review of entitlements, ICSC considered the level of the education grant on the basis of data for the school year 1980/81 *[A/38/30, para. 78]*. ICSC recommended to the GA that: (a) the education grant should be set at a level of 75 per cent of the cost of attendance at an educational institution not to exceed $6,000 up to a maximum grant of $4,500; (b) the flat amount reimbursement for boarding costs should be raised to a maximum of $1,500 within the overall maximum of the grant as established; (c) the currency floor provision should be changed to use exchange rates in effect as of 1 March 1983; (d) the effective date of implementation of these measures should be 1 January 1984; (e) the grant for disabled children should be set at the level of $6,000 of the cost of attendance with the 1 March 1983 currency floor, but that the reimbursement rate should be 80 per cent for this group of children, giving a maximum grant of $4,800 *[A/38/30, para. 83]*.

By **resolution 38/232**, the GA adopted ICSC's recommendations except the reimbursement rate for disabled children which it set at 100 per cent of a maximum of $6,000 for expenses at an educational institution. It also 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 and to report on the results of the study to the GA at its 39th session.

1985 **22nd session (July)**: After having reviewed the issues raised by the GA, and considering the relevant decisions made in the past by it and its predecessor bodies, ICSC decided: (a) to reaffirm the position it had taken at its 16th session and reported to the GA in its 8th annual report that there would appear to be no need to make any changes in the criteria for application of the education grant, including its application to university-level study; (b) to confirm that it 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 *[A/40/30, para. 191]*.

In **resolution 40/244**, the GA requested ICSC to re-examine the scope of the education grant for which it was originally approved.

1986 By **resolution 41/213**, the GA decided that the SG should transmit to the ICSC those recommendations of the Group of High-level Intergovernmental Experts to review the Efficiency of the Administrative and Financial Functioning of the UN ("Group of 18") which had a direct impact on the UN common system (recommendations 53 and 61) with the request that it report to the GA at its 42nd session, so as to enable the GA to make a final decision; the expertise of ICSC should be availed of in dealing with the other recommendations over which ICSC had a mandate to advise and make recommendations. In its recommendation 61, the Group of 18 alleged that the total entitlements (salaries and other conditions of service) of staff members had reached a level which gave reason for serious concern and it should be reduced. In particular, the elimination of the education grant for post-secondary studies should be considered for prompt implementation.

1987 **26th session (July)**: In response to the above requests, ICSC considered the education grant on the basis of a document prepared by CCAQ concerning the scope, purpose, and level of the grant *(ICSC/24/R.9)*. CCAQ also provided updated information for a review of the level of the grant based on education expenditure for the 1985/86 school year *[A/42/30, para. 147]*. In regard to recommendation 61 of the Group of 18, ICSC recommended to the GA that there be no change in the existing education grant provision for post-secondary studies *[A/42/30, para. 44 (b)]*. ICSC decided to defer consideration of the overall level of the grant and related provisions to its July 1988 session. It recommended, however, to the GA that the existing education grant provisions for staff serving at locations where educational facilities were not available or were deemed to be inadequate should be modified as from the school year in progress on 1 January 1988 to enable them to claim reimbursement of 100 per cent of boarding costs up to $1,500 per year as an amount additional to the maximum grant of $4,500 *[A/42/30, para. 153]*.

By **resolution 42/221**, the GA approved the above recommendation and requested ICSC to report to the GA annually, starting in 1988, on the number of such cases in the common system and on the related costs. The GA also requested ICSC to indicate in its next report the type of guidelines used for assessing the adequacy of educational facilities at field duty stations for the application of the above measure.

1988 **28th session (July)**: ICSC based its examination of the level of the education grant on a proposal submitted by CCAQ. It also considered the views of IFAD, which were presented separately. In the light of the increase in the level of expenditure on education reported in 1987 and of the further increases noted in the fees charged by schools commonly attended by children of common system international staff at HQ duty stations, CCAQ recommended an increase in allowable costs from the present level of $6,000 to $9,000, thereby raising the maximum grant from the present $4,500, to $6,750. CCAQ also proposed that the ceiling for boarding costs be increased from $1,500 to $2,000 within the maximum grant of $6,750, and that the maximum allowable costs for the education of disabled children be set at the same revised level as for the regular education grant, with the reimbursement maintained at 100 per cent. On the question of the local currency floor provisions, CCAQ concluded that the retention of the existing floor, based on March 1983 exchange rates, was the only way of reflecting consistently the value of the increase at various duty stations. These and related measures were recommended for application as from the school year in progress on 1 January 1989 *[A/43/30, para. 74]*.

ICSC recommended that: (a) at all locations except those described under subpara. (b) below, the amounts should be established in US dollars, as follows: (i) the maximum amount of admissible educational expenses should be set at $9,000, thus providing for a maximum grant of $6,750; (ii) within the maximum grant of $6,750, the ceiling for boarding costs should be increased from $1,500 to $2,000; (iii) the amount of additional reimbursement of boarding costs over and above the maximum grant payable to staff members at designated duty stations should be maintained at $1,500 per year; (iv) the amount of the grant for each disabled child should be equal to 100 per cent of the admissible educational expenses actually incurred, up to a maximum of $9,000; (b) when the educational expenses were incurred in a country where ICSC had decided that the RCF was applicable, all amounts should be established in local currency as set out below, using for purposes of converting the relevant amounts in US dollars the rate of exchange applicable as at 1 April 1988 for the education grant: (i) the maximum amount of admissible educational expenses should be raised to a level 50 per cent above the current maximum of $6,000, converted into local currency; (ii) the maximum amount of the grant should be set at 75 per cent of the revised maximum amount of admissible expenditures, expressed in local currency; (iii) the ceiling for boarding costs should be raised to a level one third above the current ceiling of $1,500, converted into local currency; (iv) the amount of additional reimbursement of boarding costs over and above the maximum grant, payable to staff members at designated duty stations, should be set at the equivalent in local currency of the current amount of $1,500; (v) the amount of the grant for each disabled child should be equal to 100 per cent of the revised maximum amount of admissible educational expenses expressed in local currency, as described in subpara. (b) (i) above; (c) these measures should be applicable as from the school year in progress on 1 January 1989 *[A/43/30, para. 75]*.

ICSC decided that the next review of the level of the education grant should take place in 1991 *[A/43/30, para. 76]*.

In **resolution 43/226**, the GA requested ICSC to include, as an integral part of the comprehensive review, a study of *inter alia* the purpose and conditions of an education grant. It approved ICSC's recommendations concerning the education grant as an interim measure and until a revised system based on the above study was adopted.

1989 **29th and 30th sessions (March and August)**: In response to the above request, ICSC undertook a review of the education grant on the basis of the report of the Working Group on the comprehensive review *(see section 2.1.90)*. As a result of this review, ICSC recommended to the GA that: (a) the grant should remain solely an expatriate benefit, subject to the existing exception for staff reassigned to their home country following service abroad, which should be maintained; (b) the grant should continue to be payable at the primary, secondary and post-secondary levels; (c) the pattern of reimbursement should continue to be the same at the primary, secondary and post-secondary levels; (d) the uniform existing pattern of reimbursement should be maintained, i.e. the grant should not be differentiated by duty station or according to whether the educational institution was located in the duty station country, the home country or a third country; (e) the existing provisions regarding education grant travel should remain unchanged; (f) existing provisions in respect of the age limit for the payment of the education grant should be maintained; (g) the current ceiling for the special education grant for disabled children should remain unchanged for the time being, but should be kept under review; (h) the revised arrangements for the currency of payment of the education grant approved by the GA at its 43rd session should remain in place for the time being, but should be evaluated on the basis of experience with the first round of education grant claims; (i) the level of the grant should normally be reviewed every two years; the period between reviews should in no case exceed three years *[A/44/30, vol. II, para. 406]*.

As part of the new mobility and hardship scheme, ICSC recommended that boarding cost provisions be revised so that in the case of staff serving at locations where educational facilities were not available or were deemed to be inadequate, the current limit of $1,500 for reimbursement of 100 per cent of boarding costs in addition to the maximum amount of the education grant should be increased to $3,000. Staff members would be eligible to claim reimbursement for boarding costs up to the revised amount of $3,000 only in the case of children in primary and secondary school. The additional reimbursement of boarding costs at the post-secondary level for staff members at these duty stations would be discontinued *[A/44/30, vol. II, para. 329]*.

1989 By **resolution 44/198**, the GA took note of ICSC's conclusions on the education grant and approved the ICSC recommendations on additional boarding costs, with effect from 1 July 1990.

1990 **32nd session (July/August)**: ICSC examined proposals submitted by CCAQ and by its secretariat concerning the review of the level of the education grant. The CCAQ proposal was for a uniform increase in the levels of the allowable expenses and, consequently, in the maximum amounts of the education grant. Taking into account currency relationships and inflation rates, ICSC favoured increases only for certain areas where education- related expenses were incurred in specific currencies as proposed by its secretariat. It noted that the system of uniform adjustments for inflation combined with full currency protection had produced results that were not equitable between duty stations *(A/45/30, paras. 240 and 247)*. ICSC consequently recommended that (a) in areas where education-related expenses were incurred in Japanese yen, Austrian schillings, Swiss francs, Netherlands guilders, Finnish markka, Belgian francs, Danish kroner, French francs, CFA francs, Irish pounds or Norwegian kroner, the maximum amount of admissible expenses and the ceiling on boarding costs should remain unchanged at its current level; (b) in areas where education-related expenses were incurred in currencies other than those in (a) above, the maximum amount of admissible expenses, the maximum grant and the ceiling for boarding costs should be increased as follows:

Currency	**Maximum admissible education expense (local currency)**	**Maximum grant (local boarding currency)**	**Ceiling for boarding (local currency)**
Deutsche mark	26 395	40 500	12 000
Spanish peseta	1 429 740	1 072 500	317 778
Italian lira	15 397 200	11 549 997	3 422 220
U.K. pound	7 183	5 387	1 596
U.S. dollar area	11 000	8 250	2 450

(c) the amount of additional reimbursement of boarding costs over and above the maximum grant payable to staff members at designated duty stations should be maintained at the present entitlement level; (d) the amount of the special education grant for each disabled child should continue to be equal to 100 per cent of the revised amount of the maximum admissible educational expenses for the regular education grant; (e) the measures would be applicable as from the school year in progress on 1 January 1991.

ICSC decided that the recommended increases in the education grant for designated areas were interim measures; the recommendation was made on the clear understanding that ICSC would undertake a full study in 1991 of the process for setting education grant levels *(A/45/30, para. 251)*.

By **resolution 45/241**, the GA noted the intention of ICSC to conduct a study of the process for setting education grant levels and to report thereon to the 46th session. The GA also approved the changes to the maximum admissible levels of expenses incurred under the education grant in five currencies, as indicated above.

1992 **35th session (March)**: ICSC decide to approve in principle the following methodology for determining the level of the education grant, so that CCAQ could collect the necessary data to apply it: (a) establishment of a regular biennial review cycle, starting in 1992; (b) data to be collected biennially, starting in 1992, on: (i) costs at all levels of education; (ii) tuition fees and other major elements of allowable expenditure at "representative" schools (i.e., schools attended by the international community) at all locations/currency areas for which a distinct amount had been established. Such information should be collected in respect of the secondary level only; (c) periodic checks of "representative" schools to be conducted in 1992 and thereafter every four or six years; (d) currency areas to be maintained as at present for the time being, except that steps should be taken to allow for separating the United States and Canada component from the rest of the United States dollar area, should cost data so warrant; (e) the existing levels of the education grant ceiling should serve as the basis for adjustment. Any adjustments should be made on the basis of movement of costs and fees: (i) actual trigger point: 5 per cent of total cases at all levels of education; (ii) fee index: actual movement of school fees (average of representative schools) in the period since the last review, taking into account fees for the forthcoming academic year, subject to a minimum threshold of 5 per cent; (f) minimum number of cases that should be reported by any organization: 50 per cent of representative cases at all levels of education; (g) boarding element; data to be collected for all locations where separate overall ceiling had been established, for consideration at the time of the next methodological review (1995); (h) possible different treatment of lump-sum for board and allowable expenditures to be reviewed in 1995. A final decision would be taken on the methodology at the 36th session *[ICSC/35/R.17]*.

36th session (August): ICSC reviewed a survey of education expenditure and costs conducted by CCAQ *(ICSC/36/R.14)* on the basis of the methodology approved in principle at the 35th session. ICSC decided to: (a) approve the methodology for determining the level of the education grant. It noted that the methodology would be reviewed in 1995 in the light of experience in its application. Data on the boarding element would be collected for all locations where separate overall ceiling had been established. The treatment of the lump-sum reimbursement for board would also be reviewed at that time; (b) recommend to the GA that in areas where education-related expenses were incurred in Finnish markka, Italian lira, and Netherlands guilders and United Kingdom pounds, as well as for the United States dollar area, the maximum amount of admissible expenses, the maximum grant and the ceiling for boarding costs applicable as from the school year in progress on 1 January 1993 should be set as shown below *[A/47/30, paras. 234-235 and 252]*:

Currency	Maximum admissible education expenses (local currency)	Maximum grant (local currency)	Ceiling for boarding (local currency)
Finnish markka	54 000	40 500	12 000
Italian lira	18 000 000	13 500 000	4 000 000
Netherlands guilder	27 000	20 250	6 000
United Kingdom pound	9 000	6 750	2 000

United States dollar area	13 000	9 750	2 900

ICSC considered that it would be desirable in the future to have an indication of the total cost to the common system of education grant entitlements and requested CCAQ to make that information available at the time of the next review. ICSC noted that, should any anomalies arise in the implementation of the education grant system, it would expect that CCAQ would bring such matters to the attention of ICSC.

By **resolution 47/216**, the GA: (a) endorsed the revised methodology for the determination of the education grant; (b) approved increases in the maximum reimbursement levels in five currency areas, as recommended by ICSC; (c) requested ICSC to report to the GA at its 51st session on the operation of the education grant on the basis of the revised methodology, taking into account the views of Member States on this matter.

1994 **40th session (June/July)**: ICSC considered a recommendation from CCAQ *(ICSC/40/R.11)* for an increase in the education grant maxima in respect of expenditures incurred in seven specific currencies; an analysis of costs had identified seven currency areas in which 5 per cent or more cases showed costs incurred exceeding maximum admissible expenses *[A/49/30, paras. 245-246]*. ICSC recommended to the GA that: (a) in areas where education-related expenses were incurred in Swiss francs, Italian lira, Deutsche Mark, Spanish pesetas, United States dollars (limited to expenses incurred in the United States), pound sterling and Swedish kroner, the maximum amount of admissible expenses, the maximum grant and the ceiling for boarding costs as applicable from the school year in progress on 1 January 1995 should be set as shown below:

Currency	**Maximum admissible level**	**Maximum education grant**	**Ceiling for boarding in local currency**
Swiss franc	20 097	15 070	4 466
Italian lira	19 800 000	14 850 000	4 400 000
Deutsche mark	29 035	21 775	6 454
Spanish peseta	1 572 710	1 179 530	349 556
Pound sterling	11 250	8 438	2 500
Swedish kroner	83 250	62 438	18 500
United States dollar in the United States of America	16 900	12 675	3 770

(b) the current level for maximum admissible expenses and the ceiling on boarding costs in US dollars (for expenditures incurred outside the US) should be applied for the 14 countries in which the CFA franc had until now been applied; (c) the maximum admissible expenses and the ceiling on boarding costs should remain unchanged at current levels for the following currency areas: Austrian schilling, Belgian franc, Danish krone, Finish markka, French franc, Irish pound, Japanese yen, Netherlands guilder, Norwegian krone, and the US dollar (expenditures incurred outside the United States); (d) the amount of the special education grant for each disabled child should be equal to 100 per cent of the

amounts of maximum allowable expenses for the regular education grant; (e) those measures would be applicable as from the school year in progress on 1 January 1995 *[A/49/30, para. 273]*.

ICSC recalled that at its 36th session (summer 1992) it had indicated that it would be desirable in the future to have an indication of the total cost to the common system of education grant entitlements and had requested CCAQ to make that information available at the time of the next review. CCAQ estimated that the total system-wide cost of the education grant entitlement was $62.1 million per annum. The average reimbursement per claim was $4,400. That represented approximately 3.8 per cent of the budgeted standard costs for P staff members in the common system *[A/49/30, para. 272]*.

By **resolution 49/223**, the GA approved increases in the maximum reimbursement levels in 7 currency areas as well as other adjustments to the management of the reimbursement of expenses under the education grant.

1995 **41st session (May):** In the context of a report on the implementation of ICSC decisions and recommendations *(see section 12.10)*, CCAQ informed ICSC that there had been an important change in respect of the treatment of education grant payments in the UN and the UN programme organizations. Henceforward, the UN would also treat education grant claims like the vast majority of organizations, i.e., on the basis of each separate currency *[ICSC/41/R.19, para. 362]*.

42nd session (July/August): ICSC was informed that since the last session, the UN appeared to have changed its position on the matter. ICSC took note of this information. It considered that the matter should be referred back to CCAQ for the necessary consultations and suggested that CCAQ inform it of the outcome of those consultations in conjunction with the review of the level of the education grant scheduled for the 44th session *[ICSC/41/R.19, paras. 59-60]*.

1996 **1996 44th session (July/August):** ICSC considered a recommendation from CCAQ *(ICSC/44/R.9)* for an increase in the education grant maxima in respect of expenditures incurred in 7 specific currencies; an analysis of costs had identified 7 currency areas in which 5 per cent or more cases showed costs incurred exceeding maximum admissible expenses *[A/51/30, para. 219]*.

ICSC addressed a number of issues related to the education grant methodology that would be addressed in 1997. It was informed that the flat rate for boarding in the case of staff assigned to designated duty stations (also known as additional reimbursement of boarding costs) had fallen below the normal flat rate in a few currency areas. It recalled that it had established a higher flat rate for staff serving at these duty stations, *inter alia*, in recognition of the lack of schooling facilities at these duty stations, requiring education elsewhere with the associated additional cost. While this, too, was a methodological issue, ICSC considered that the situation required an adjustment *[A/51/30, para. 227]*.

ICSC's attention was also drawn to a specific situation at Beijing, where one international school had recently increased its fees dramatically, thereby substantially exceeding the maximum admissible expense limit of current grant and resulting in significant out-of-pocket costs to staff members. While the situation affected very few staff, the financial burden on those staff members was significant. If the situation were not addressed, it would result in significant human resources management problems at the duty station. To solve this problem CCAQ proposed that the ICSC Chairman be authorized to approve special measures that would allow for the reimbursement of 75 per cent of actual expenses, not exceeding the approved level of maximum allowable expenses, for the US dollar area (in the US), where: (a) there was a restricted choice of educational facilities at the duty station and, (b) a sudden and sharp increase in school fees had occurred that would result in an undue financial burden for staff of the UN system. ICSC considered the applicability of the CCAQ proposal to other duty stations. While it was assumed that such a situation would be limited to a very few duty stations, it considered

that for the time being, it would address the situation in Beijing only. It noted that under article 10(c) of the ICSC statute, the GA had responsibility for this matter.

Accordingly, the CCAQ proposal would require a recommendation to the GA *[A/51/30, para. 228]*.

ICSC decided to recommend to the GA that (a) in areas where education related expenses are incurred in the Swiss franc, the pound sterling, the Italian lira, the Netherlands guilder, the Norwegian kroner, the Swedish kronor and US dollar in the US, the maximum admissible levels, the maximum education grant and the ceiling for boarding should be as follows:

Currency	Maximum admissible level	Maximum Education Grant	Ceiling for boarding in local currency
Swiss franc	22 107	16 680	4 913
Italian lira	20 790 000	15 592 500	4 620 000
Norwegian kroner	71 632	53 724	15 918
Dutch guilder	28 836	21 627	6 408
Swedish kronor	91 575	68 681	20 350
Pound sterling	12 375	9 281	2 750
United States dollar (in US)	18 675	14 006	4 166

(b) the maximum amount of admissible expenses, the maximum grant and the ceiling for boarding costs should remain unchanged at current levels for the following currencies: Austrian schilling, Belgian franc, Danish kroner, Deutsche mark, Finnish markka, French franc, Irish pound, Japanese yen, Spanish peseta and United States dollar outside the United States; (c) pending the in-depth review of the education grant scheduled for 1997, the amount of additional reimbursement of boarding costs for staff at designated duty stations should be as follows for the 3 currency areas where it was currently lower than the normal reimbursement:

Currency	Additional flat rate (at designated duty stations)
Pound sterling	2 500
Italian lira	4 400 000
United States dollar (in US)	3 770

(d) the amount of the special education grant for each disabled child should be equal to 100 per cent of the revised amounts of maximum allowable expenses for the regular education grant; (e) pending the in-depth review of the education grant scheduled for 1997, it delegate to the ICSC Chairman the authority to approve a special measure for Beijing that allowed for the reimbursement of admissible items of expenditure up to the approved level of maximum allowable expenses for the US dollar/US

area; (f) all measures would be applicable as from the school year in progress on 1 January 1997 *[A/51/30, para.230].*

In **resolution 51/216**, the GA: (a) approved increases in the maximum reimbursement levels in 7 currency areas, as well as other adjustments to the management of the reimbursement of expenses under the education grant, as recommended by ICSC; (b) noted the intention of ICSC to undertake in 1997 an in-depth review of the methodology for determining the education grant; (c) decided pending the completion of the above review to delegate to the ICSC Chairman the authority requested regarding the special measure for Beijing (see above).

1997 **45th session (April/May):** The review of the methodology initially planned for 1995 was postponed by ICSC to this session owing to competing priorities. As part of the review, the following issues were identified for consideration: (a) capital assessment fees; (b) the boarding element; (c) boarding element at designated duty stations;(d)trigger point for an adjustment of maximum allowable expenses; (e) allowable items of expenditure and the currency of payment; (f) procedure for handling exceptional situations *[A/52/30, para. 151].*

ICSC decided to inform the GA that the methodology for determining the level of the education grant introduced in 1992 had functioned reasonably well. However, based on the experience of the application of the methodology during the past three reviews of the level of the grant, it had concluded that some modifications to the methodology would be in order. Specifically, ICSC decided on the following modifications to the methodology: (a) Capital assessment fees: (i) the organizations and staff would share the cost of the one-time capital assessment fees on the same basis as allowable expenses; (ii) in the event that such an arrangement resulted in staff expenditures beyond the maximum allowable expenses, the ICSC Chairman could exceptionally increase the level of the maximum allowable expenses at the request of the organization for the duty station in question; (iii) subsidized loan arrangements should be considered in cases where the capital assessment fee would be refunded by the school upon departure or graduation; (b) Flat rate for boarding: (i) for currency areas where flat rates for boarding had not been adjusted since 1990, they would be adjusted by the movement of the consumer price indices between 1990 and the date of the next biennial review; (ii) for currency areas where the flat rates for boarding had been adjusted by the movement of the consumer price indices between 1990 and the date of the next biennial review; (iii) for currency areas where the flat rate for boarding would be adjusted by the movement of the consumer price indices at the time of the next biennial review, the rate should continue to be adjusted by the movement of the consumer price indices at the time of subsequent biennial reviews; (iv) in cases where boarding was not provided by the educational institution, cost of boarding from other sources would be considered as an admissible expense within the maximum allowable expenses as long as the educational institution certified the boarding facility; (c) Additional flat rate: (i) on the occasion of the next biennial review of the level of the grant, for all currency areas additional flat rates would be established at the level of 150 per cent of the normal flat rates; (ii) thereafter, additional flat rates for all currency areas would be adjusted on the same date and by the same percentage as the adjustment of the normal rate; (d) Trigger point: for currency areas with few education grant claims, the maximum allowable expenses adjustment would be triggered if at least 5 per cent and a minimum of five claims exceeded the existing maximum allowable expenses limit *[A/52/30, para. 163].*

ICSC also decided to request the GA, in cases where a duty station in the US dollar/outside the US area had experienced an exceptional increase in fees between two reviews of the level of the grant, then the ICSC should be delegated the authority to approve a special measure that allows for the reimbursement of admissible expenses up to the approved level of the maximum allowable expenses for the US dollar/US area *[A/52/30, para. 164].*

ICSC further decided to urge the organizations to harmonize their practices in respect of allowable and non-allowable expenses and currency of payment and to collect data on tuition fees from schools in the US dollar/outside US area at the time of the biennial reviews *[A/52/30, para. 165]*.

ICSC also decided that the methodological changes outlined above would be taken into account beginning with the 1998 biennial review *[A/52/30, para. 166]*.

By resolution 52/216, the GA endorsed the above modifications to the methodology, and decided to delegate to the ICSC Chairman the authority to approve the before mentioned special measures.

1998 **48th session (July/August):** ICSC considered a recommendation from CCAQ *(ICSC/48/R.3)* for an increase in the education grant maxima in respect of 7 specific currencies; an analysis of costs had identified 7 currency areas in which 5 per cent or more cases exceeded current maximum admissible expenses. It was also suggested that in accordance with the decision taken by ICSC in 1997 and subsequently endorsed by the GA, the normal flat rates for boarding as well as those for additional reimbursements at designated duty stations be revised *[A/53/30, para.178]*.

ICSC recommended to the GA that: (a) in areas where education-related expenses were incurred in Austrian schillings, Swiss francs, deutsche mark, pound sterling, Italian lire, Japanese yen and US dollars in the United States, the levels of the maximum admissible expenses and the maximum education grant be set; (b) the maximum amounts of admissible expenses and the maximum grant remain at the current levels for the following currencies: Belgian franc, Danish krone, Finnish markka, French franc, Irish pound, Netherlands guilder, Norwegian krone, Spanish peseta, Swedish krona and US dollar for expenses incurred in educational institutions outside the US; (c) in instances where boarding was not provided by the educational institution or a boarding institution certified by the school, the flat rates for boarding costs, to be taken into account within the maximum admissible educational expenses, be revised. The amounts of additional reimbursement for boarding costs, over and above the maximum education grant payable to staff members at designated duty stations, should be revised; (d) the amount of the special education grant for each disabled child be equal to 100 per cent of the revised amounts of maximum allowable expenses for the regular education grant; (e) all of the above measures be applicable as from the school year in progress on 1 January 1999 *[A/53/30, para. 190 and annex X, tables 1 and 2]*.

ICSC also decided to invite the organizations to submit further information to the ICSC Chairman regarding the situation in Indonesia. ICSC requested its Chairman to decide, in accordance with the authority delegated to him by the GA in that regard and on the basis of the information received, whether special measures that would allow organizations to reimburse 75 per cent of actual expenses up to and not exceeding the maximum expenditure level in force for the US dollar/US area needed to be introduced *[A/53/30, para. 191]*.

ICSC decided to review the methodology in 2001 to simplify it *[A/53/30, para. 192]*.

In its **resolution 53/209**, the GA approved the recommended increases in the maximum reimbursement levels in the seven currency areas, as well as other adjustments to the reimbursement of expenses under the education grant. The GA also took note of the ICSC decision to review the methodology in the year 2001.

1999 In **resolution 54/238**, the GA requested ICSC to complete the review of the methodology for the education grant, as well as a review of the purpose, scope, application of, and controls for the education grant, and to report the results to the GA at its 55^{tth} session. It also requested ICSC, in conjunction with that review, to report specifically on harmonizing education grant practices with those of the UN.

2000 **52nd session (July/August):** ICSC considered the request of the General Assembly in its resolution 54/238 to complete the review of the methodology for the education grant, and to report specifically on harmonizing education grant practices with those of the United Nations. ICSC decided (a) to recommend to the GA that the education grant should continue to be treated as a benefit payable to internationally recruited staff with expatriate status; (b) to inform the GA that it might wish to request the organizations to bring the matter of payment of the education grant to staff members living in their own countries to the attention of their governing bodies with a view to harmonizing the staff rules and regulations along the lines of those of the United Nations; and (c) to report to the General Assembly that further consideration of the scope and purpose of the education grant would best conducted under the overall review of the pay and benefits system, which is currently under way [A/55/30, para. 81].

ICSC also considered a recommendation from CCAQ for an increase in the education grant maxima in respect of 5 specific currencies; an analysis of costs had identified 5 currency areas in which 5 per cent or more cases exceeded current maximum admissible expenses. It was also suggested that the normal flat rates for boarding as well as those for additional reimbursements at designated duty stations be revised *[A/55/30, paras. 82-84].*

ICSC recommended to the GA that: (a) in areas where education-related expenses were incurred in Belgian francs, Irish pounds, Italian lire, Swiss francs and United States dollars in the United States, the levels of maximum admissible expenses and the maximum education grant be set as shown in annex IV, table 1 of A/55/30; (b) the maximum amount of admissible expenses and the maximum grant should remain at the current levels for the following currencies: Austrian schilling, Deutsche mark, Danish krone, Finnish markka, French franc, Japanese yen, Netherlands guilder, Norwegian krone, pound sterling, Spanish peseta, Swedish krona and United States dollar for expenses incurred in educational institutions outside the United States; (c) the flat rates for boarding to be taken into account within the maximum admissible educational expenses and the additional amounts for reimbursement of boarding costs over and above the maximum grant payable to staff at designated duty stations as shown in A/55/30, annex IV, table 2; (d) the amount of the special education grant for each disabled child should be equal to 100 per cent of the revised amounts of maximum allowable expenses for the regular grant; (e) all of the above measures should be applicable as from the school year in progress on 1 January 2001 *[A/55/30, para. 93].*

ICSC also decided to maintain the two separate United States dollar areas and the special measures for China and Indonesia, which would allow organizations to reimburse 75 per cent of actual expenses up to and not exceeding the maximum expenditure level in force for the United States dollar/inside the United States *[A/55/30, para.94]*

ICSC decided to review the issue of the trigger point for adjusting the education grant at the time of the review of the methodology for the level of the grant.

In its **resolution 55/223,** the GA approved the increases in the maximum reimbursement levels in five currency areas, as well as other adjustments to the management of expenses under the education grant. The GA also urged the organizations of the common system to harmonize their rules and regulations to ensure that the education be treated as a benefit payable to internationally recruited staff with expatriate status only.

2002 **55th session (July/August):** ICSC had before it a study by the Human Resources Network, undertaken in the biennial review cycle, on the education grant levels resulting from the application of the methodology for the determination of the levels of education grant, established in 1992 and modified in 1997 (ICSC/55/R.8). Under the approved methodology, the trigger point for reviewing education grant levels in a given country/currency area was that 5 percent or more of the cases exceeded current

maximum admissible expenditure levels. The study identified seven countries/currencies areas in which that trigger point had been reached (Austria, United Kingdom of Great Britain and Northern Ireland, Switzerland, Italy, Spain, United States dollar in and outside the United States).

ICSC decided to recommend to the General Assembly that: (a) in the following countries/areas in which education-related expenses are incurred, namely, Austria (euro); Italy (euro); United Kingdom (pound sterling); United States dollar in and outside the United States, the levels of maximum admissible expenses and the maximum grant should be set as shown in annex V, table 1 of A/57/30; (b) the maximum amount of admissible expenses and the maximum grant should remain at the current levels for the following countries/currencies areas: Belgium (euro), Denmark (Danish krone), Germany (euro), France (euro), Ireland (euro), Japan (Japanese yen) Netherlands (euro), Norway (Norwegian krone) and Sweden (Swedish krona); (c) the flat rates for boarding to be taken into account within the maximum admissible educational expenses and the additional amounts for reimbursement of boarding costs over and above the maximum grant payable to staff members at designated duty stations be revised as shown in annex V, table 2 of A/57/30; (d) the amount of the special educational grant for each disabled child should be equal to 100 per cent of the revised amounts of the maximum allowable expenses for the regular grant; (e) all of the above measures should be applicable as from the school year in progress on 1 January 2003 (A/57/30 para. 141).

ICSC decided to maintain the special measures for China, Indonesia, Romania and the Russian Federation, which would allow organizations to reimburse 75 per cent of annual expenses up to and not exceeding the maximum expenditure level in force for the United States dollar/inside the United States (A/57/30 para. 142). ICSC also decided to request the organizations to ensure the compatibility of their computer systems and applications for purposes of reporting data on education grant (A/57/30 para. 143).

In its **resolution 57/285**, the General Assembly approved the increases in the maximum reimbursement levels for the seven countries/currency areas, as well as other recommendations in respect of the reimbursement of expenses under the education grant, as contained in paragraph 141 and annex V of A/57/30.

2004 **2004 58th session (March/April):** ICSC had before it document ICSC/58/R.3/Add.3, which contained a historical overview of the evolution of the definition and the scope of the education grant, outlined problems currently associated with the administration of the education grant scheme and described some outside practices, including that of the comparator, relating to subsidizing the educational expenses of staff. The document contained a number of proposals with regard to the review of the methodology and the streamlining of the education grant, which related, inter alia, to the adoption of a lump sum approach to the grant and the simplification of its administration.

With regard to the specific issue of staff serving in Paris, it was pointed out that the present arrangements for administering the education grant, including those pertaining to special measures, did not provide for an immediate remedy for the situation [ICSC/58/R.12, para. 88].

ICSC decided to request its secretariat to convene a working group consisting of representatives of the organizations and staff, with a view to further developing the proposals for a review of the methodology to determine the level of the education grant, in particular the lump sum approach and other measures that may be necessary to ensure a streamlined operation of the grant, bearing in mind the views expressed by ICSC, and to report on the group's finding to ICSC at its fifty-ninth session. ICSC also requested the working group to take particular account of the situation described by UNESCO, with a view to proposing a speedy remedy to the problem [ICSC/58/R.12, paras. 89-90].

59th session (July): ICSC continued, as part of the overall pay and benefits review, to examine the methodology to determine the level of the education grant. Commissioners generally felt that the present system was in need of some streamlining that should not lead to increased costs or the introduction of inequities in the scheme.

ICSC requested its secretariat to continue the development of the lump-sum approach to the education grant and to present at its sixtieth session an updated and detailed report that would include (a) Procedures for establishing ceilings (maximum allowable expenses) by zone; (b) Cost control measures for triggering adjustments; (c) Certification requirements; (d) Provisions for the selection of representative schools for establishing the ceiling and lump sum payments; (e) Criteria for zoning based on empirical data showing a relationship between the zone and the cost of education [ICSC/59/R.18, paras.48-54].

With regard to the review of the level of the education grant, ICSC decided to recommend to the GA that: (a) In Austria (euro), Belgium (euro), Denmark (euro), France (euro), Germany (euro), Ireland (euro), Italy (euro), Japan (yen), Netherlands (euro), Spain (euro), Sweden (euro), Switzerland (Swiss franc), United Kingdom (pound sterling), United States dollar in the United States of America and the United States dollar outside the United States of America, the levels of maximum admissible expenses and the maximum grant should be set as shown in annex IV, table 1 of A/59/30; (b) The maximum amount of admissible expenses and the maximum grant should remain at the current levels for Finland and Norway; (c)The flat rates for boarding to be taken into account within the maximum admissible educational expenses and the additional amounts for reimbursement of boarding costs over and above the maximum grant payable to staff members at designated duty stations should be revised as shown in annex IV, table 2 of A/59/30; (d) The amount of the special education grant for each disabled child should be equal to 100 per cent of the revised amounts of the maximum allowable expenses for the regular grant; (e) Special measures should be maintained for China, Indonesia, Romania and the Russian Federation, which would allow organizations to reimburse 75 per cent of actual expenses up to and not exceeding the level of the maximum admissible expenses in force for the United States dollar area inside the United States of America; (f) All of the above measures should be applicable as from the school year in progress on 1 January 2005. ICSC also decided to reiterate its recommendation to the GA that the Assembly might wish to request the organizations to bring the matter of the payment of the education grant to staff members living in their own countries to the attention of their governing bodies with a view to harmonizing the staff rules and regulations along the line of those of the UN [A/59/30, paras. 166-167].

In its **resolution 59/268**, the GA approved the increases in the maximum reimbursement levels for fifteen countries, as well as other recommendations in respect of the reimbursement of expenses under the education grant as recommended by the Commission.

The Assembly reiterated its requests to the organizations of the common system to bring the matter of the payment of the education grant to staff members living in their own countries to the attention of their governing bodies, with a view to harmonizing the staff rules and regulations along the lines of those of the United Nations, and invites governing bodies to take the relevant actions. It further requested the Commission to inform it at its sixtieth session as to the practices of other relevant civil services and international organizations concerning the provision of education grants.

2005 **61st session (July):** The Commission had reviewed the note prepared by the ICSC secretariat [ICSC/61/R.5] submitted in response to its request to continue the development of the lump-sum approach to the education grant. The document had addressed the general outline of the lump-sum approach and the specific issues of selecting representative schools, the proposed new currency zoning

for the education grant ceilings, the adjustment of the maxima and cost controls, the individual certification requirements and the periodicity of review of the education grant levels.

Having noted the overall results, the Commission had decided to request its secretariat to continue, in cooperation with the organizations, its work on proposals to refine the methodology for determining the level of the education grant on the basis of the current principles underlying the scheme, with particular attention to the lump-sum approach. It had also requested the secretariat to develop models illustrating the practicality of the various review proposals with a view to ensuring fairness, simplification and cost control and to report to the Commission on this issue at its sixty-third session. In addition to the proposals already made, The Commission had asked the ICSC secretariat to test the following concepts: (a) rather than currency zoning, grouping the education grant claims by geographical area, type of education, expenditure patterns or some combination of those factors to produce education grant ceilings that were more meaningful and equitable; (b) the feasibility of calculating lump-sum payments solely on the basis of tuition levels by granting a higher percentage of reimbursement for tuition but disregarding most other expenses for some or all levels of education;(c) alternatives to the present threshold levels for triggering adjustments of the education grant ceilings, to address the problem of trigger points when few claims are in the group. In addition, the Commission had requested its secretariat to explore the rationale, feasibility and cost implications of extending the reimbursement for post-secondary studies from four to five years [ICSC/61/R.18, para. 6465].

2006 **63rd session (July):** ICSC had before it a note by the Human Resource Network which provided the eighth review of the level of the education grant under the methodology approved by the ICSC at its thirty-fifth session and endorsed by the General Assembly in its resolution 47/216 [ICSC/63/R.6]. Expenditure data on 13,053 claims for the academic year 2004/2005 had been analyzed in the 17 individual countries/currency areas for which the education grant was administered.

After a detailed and thorough analysis, the Commission decided to recommend to the General Assembly that: (a) in Denmark, Ireland, Italy, Sweden, the United States of America and the United States dollar area outside the United States, the maximum admissible expenses and the maximum education grant should be set as shown in document A/61/30, annex II; (b) the maximum admissible expenses and the maximum education grant should remain at the current levels for Austria, Belgium, Finland, France (subject to (d) below), Germany, Japan, the Netherlands, Spain, Switzerland and the United Kingdom as shown in A/61/30, annex II, table 2; (c) the separate zone of Norway should be discontinued and the education claims for that country included in the United States dollar area outside the United States; (d) a separate maximum admissible expense level equal to that applicable to the United States of America should be established for the following schools in France – American School of Paris, British School of Paris, International School of Paris, American University of Paris, Marymont School of Paris and European Management School of Lyon; (e) the flat rates for boarding should be taken into account within the maximum admissible educational expenses and the additional amounts for reimbursement of boarding costs over and above the maximum grant payable to staff members at designated duty stations should be revised as shown in A/61/30 annex II, table 3; (f) the amount of the special education grant for each disabled child should be equal to 100 per cent of the revised amounts of the maximum allowable expenses for the regular grant; (g) special measures should be maintained for China, Indonesia and the Russian Federation, which would allow organizations to reimburse 75 per cent of the actual expenses up to and not exceeding the level of the maximum admissible expenses in force for the United States dollar area inside the United States of America; (h) all the aforementioned measures would be applicable as from the school year in progress on 1 January 2007 [A/61/30, para. 62].

The Commission also recommended to the General Assembly that the eligibility period for the education grant should continue up to the end of the school year in which the child completes four

years of post-secondary studies even if a degree had been attained after three years and students would continue to be subject to the age limit of 25 years [A/61/30, para. 63].

Also for consideration, was document ICSC/63/R.5, the review of the methodology for determining the grant which in accordance with the Commission's request, explored the following concepts relating to the education grant methodology: (a) alternatives to the currency zoning – grouping by geographical area, type or level of education, expenditure levels or a combination of those factors; (b) lump-summing the grant solely on the basis of tuition and (c) alternatives to current threshold levels for triggering adjustments. The note also considered the feasibility and cost implications of extending the reimbursement for postsecondary education from four to five years.

The Commission decided the following: (a) the options relating to establishing separate global, area-wide or country-specific education grant ceilings by type of school (public or private) or by levels of education, as well to calculating education lump sums solely on the basis of tuition, should not be further pursued; (b) further analysis, modeling and testing was required with regard to alternative country zoning and trigger points; with regard to zoning, expenditure patterns in combination with, or regardless of, geographical location should be particularly explored as a grouping basis and an approach that eliminates maximum allowable expenditure and trigger points and introduces a declining scale of reimbursements as costs increase and (c) a small working group would be established, comprising the representatives of the secretariats of ICSC, and CEB, representatives of selected individual organizations, nominated by the organizations, and one representative each from CCISUA and FICSA. The working group would analyze, model and test the overall performance of a lump-sum education grant scheme based on various parameters and options proposed and report their findings to the Commission no later than the sixty-fifth session.

The General Assembly in its **resolution 61/239**, took note of the decision of the Commission to request, in its 2005 report, para. 110, that its secretariat continue its work in cooperation with the organizations and representatives of the staff, on the development of proposals on the review of the methodology. The General Assembly, with effect 1 January 2007, also approved the recommendation of the Commission to modify the eligibility period for the education grant as specified in A/61/30, para 63, as well as the recommendations made by the Commission in A/61/30, para.62 and annex II.

63rd Session (July): Within the framework of its review of the methodology to determine the education grant, ICSC at its sixty-third session, created a small working group comprising representatives of ICSC, CEB, selected organizations and staff. The group, which was to report its findings to ICSC at its sixty-fifth session, was tasked with analyzing, modeling and testing the overall performance of a lump-sum education grant scheme based on various parameters and options proposed.

2007 **65th Session (July):** Document ICSC/65/R.6 was prepared in which a summary of the working group's proposals was included.

The Commission decided to inform the General Assembly that it would continue its review of the education grant methodology and that it intended to report on the outcome of the review at the sixty-third session of the General Assembly [A/62/30 para. 66]

2008 **66th session (March-April):** The Commission informed the General Assembly that it would continue its review of the education grant methodology and report to the Assembly at its sixty-third session [A/62/30, para. 66]. A working group comprising members of the Commission, representatives of the organizations and the staff associations as well as of the CEB and ICSC secretariats was created for this purpose. The primary task of the working group was to conduct a comprehensive analysis of all relevant issues with a view to identifying a viable alternative to the present scheme. The group was to

first report its progress at the sixty fifth session and present recommendations no later that the sixty-seventh session [ICSC/65/R.15, para.39(c)].

At the first meeting, the working group reviewed various aspects of the current education grant scheme and explored several alternative approaches to reimbursing education-related expenses in the common system. The group recommended a tuition-based reimbursement approach with the following major features: (a) The proposed reimbursement scheme would focus primarily on tuition as the single most important expenditure item, the multiple zones would be replaced by a declining five-bracket reimbursement scale with reimbursement percentages decreasing as tuition costs increase, the brackets would be adjusted on the basis of the movement of the education component of the consumer price index; (b) Mother-tongue tuition would be reimbursed on the same basis as the other tuition fees; (c) The current 16 zones for boarding reimbursement would be maintained, but the three reimbursement formulae currently in effect would be replaced by a single rate, only eligibility for boarding reimbursement would need to be determined with no certification of actual expenses necessary. To maintain cost neutrality, the proposed flat rates would need to be reduced to 75 per cent of the current levels [ICSC/67/R.9, table 2]; (d) one-time capital assessment fees would be treated separately from the overall scheme, with a 75/25 per cent expense-sharing arrangement between the organization and the staff member; (e) other education-related expenses would be reimbursable on a flat-rate basis if no tuition was claimed, the list of admissible expenses would be reduced from 40 to 4 (registration and admission fees, books required by the curriculum, computer usage and laboratory fees and examination fees). The group also proposed enhancements to the special education grant scheme including the eligibility criteria.

Having reviewed the proposals of the working, the Commission agreed that the work on the proposed system should continue and that the proposals of the new scheme would have to be revisited so that a final report could be submitted at its sixty-seventh session.

67th session (July): With respect to the level of the education grant, ICSC had before it a note by the Human Resource Network which provided the ninth review of the level of the grant. The review was based on the application of the methodology approved by the Commission in 1992 and modified in 1997. Expenditure data on 13,696 claims for the academic school year 2006/07 in the 16 individual countries/currency areas in which the grant was administered had been analyzed for that purpose.

After a detailed and thorough analysis, the Commission decided to recommend to the General Assembly that : (a) For Austria, Belgium, Italy, the Netherlands, Spain, Sweden, Switzerland, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the United States dollar area outside the United States, the maximum admissible expenses and the maximum education grant be adjusted [see A/63/30, para 62(a) and annex II, table 1]; (b) For Denmark, France (subject to (f) below), Germany, Ireland and Japan, the maximum admissible expenses and the maximum education grant remain at the current levels [see A/63/30, para 62(b) and annex II, table 2]; (c) The separate zone of Finland be discontinued and the education claims for that country be included in the United States dollar area outside the United States; (d)The special measures for China, Indonesia and the Russian Federation be maintained; (e)Special measures be introduced for Bulgaria and Hungary, which would allow organizations to reimburse 75 per cent of actual expenses up to and not exceeding the maximum expenditure level in force for the United States dollar inside the United States; (f) In addition to the list of six institutions in France currently eligible for special measures, a separate maximum admissible expense level equal to that applicable to the United States dollar inside the United States of America be established for two more schools in France: École Active Bilingue Victor Hugo and École Active Bilingue Jeanine Manuel; (g) The flat rates for boarding, taken into account within the maximum admissible educational expenses, and the additional amounts for reimbursement of boarding costs over and above the maximum grant payable to staff members at

designated duty stations, be revised [see A/63/30, para.g and annex II, table 3]; (h) The amount of the special education grant for each disabled child be equal to 100 per cent of the revised amounts of the maximum allowable expenses for the regular grant; (i) All of the above measures be applicable as from the school year in progress on 1 January 2009.

Regarding the review of the methodology for determining the education grant, at the second working group meeting the original proposal was modified in order to accommodate the concerns of the Commission and its interlocutors. The revised scheme which was developed based on simplification, equity and cost neutrality would have the following features: (a) all admissible expenses would be reimbursed under a global multi bracket declining scale. The brackets would replace the multiple zones and would be adjusted on the basis of the dollar-based movement of a combination of the education component of the consumer price index (85 per cent weight) and the total consumer price index (15 per cent weight) at the eight headquarters locations; (b) the admissible expenses reimbursable under the declining scale would be reduced from a list of about 40 items to the following: (i)tuition (including mother tongue), (ii) boarding,(iii) transportation (primary and secondary education only), (iv)registration and admission fees, (v) books required by the curriculum, (vi)computer usage and lab fees, (vii) examination fees; (c)the boarding component would be taken at actual cost, except when not certified by the educational institution, in which case a global boarding flat rate would be used under the declining scale; (d)one-time capital assessment fees would be treated separately from the overall scheme, with the 75/25 per cent expense-sharing arrangement between the organization and the staff member; (e)the designated duty station status for the purposes of the education grant would be discontinued.

While agreeing on most of the parameters of the proposed system, the working group could not reach consensus on the specific bracket levels and percentage reimbursement rates of the declining-scale model. Two models demonstrating different reimbursement rates were therefore placed before the Commission, one recommended by Commission members participating in the working group and the other recommended by participants representing administrations and staff. The disagreement centered on the ceiling to be established as a maximum allowable expense under the grant.

Based on the above, the Commission decided to report to the General Assembly that: (a) it would need to keep under review the education grant methodology and, in the meantime, the current methodology would be maintained; (b) the issue of designated duty stations for the purpose of the education grant would be examined before the next review of the mobility and hardship scheme in 2010; and (c) the issue of representative schools would be examined before the next review of the levels of the education grant in 2010.

In **resolution 63/251**, the General Assembly, (a) approved with effect from the school year in progress on 1 January 2009, the recommendations of the Commission [A/63/30, para. 62]; (b) requested the Commission to report on the methodological review of the education grant, for consideration at its sixty-fifth session.

2010 **70th session (Feb/Mar)**: In accordance with its earlier decisions, the Commission reviewed three aspects of the education grant methodology: (a) eligibility criteria for the receipt of the grant, (b) representative schools used to track tuition movements and (c) the concept of designated duty stations for the purposes of the education grant.

With respect to eligibility, the following criteria were reviewed in document [ICSC/70/R.4] prepared by the secretariat: (i) the minimum age for the receipt of the grant; (ii) the maximum age for the receipt of the grant; and (iii) the provision of the grant up to the end of the school year in which the child completes four years of post-secondary studies, irrespective of when a first-level university degree was

attained. Based on the information collected by the ICSC secretariat from the organizations, the Commission noted that the education grant eligibility criteria were harmonized across the organizations in terms of the maximum age for receiving the grant (25) and the provision of the grant for four years of post-secondary education. As regards the minimum age, in most organizations, the grant was payable if the child was five years of age or older at the beginning of the school year or turned five within three months of the beginning of the school year. However, several organizations did not have that restriction and paid the grant as long as the child turned five at any point during the school year and as long as proof was received that the child was enrolled in a full-time programme.

The Commission therefore recommended that the General Assembly invite the organizations of the common system to adopt the criteria as outlined in its annual report and to harmonize the eligibility to receive the education grant.

With respect to the review of representative schools and the tracking of tuition fee movements, the Commission (i) examined alternative approaches to tracking the movement of school fees based on the list of representative schools and the education component of the consumer price indexes (CPIs), (ii) reviewed the schools list itself and also (iii) revisited the procedure for measuring the tuition fee movement.

(i) The Commission decided: (i) to continue using representative school fees as the basis for adjusting fees and approve the revised list of representative schools which included schools at the primary/secondary schools and post-secondary levels; (ii) to approve the criteria for selecting representative schools, with primary consideration given to schools attended by children of international staff and (iii) to use a cumulative approach to track the movement of fees since the last adjustment was made for the zone, with all adjustments made on the basis of both movement of costs and fees. The Commission also requested its secretariat to: (i) Update the methodology, to reflect all changes in the education grant methodology and present it to the Commission at its seventy-second session; and (ii) Review the current list of items included under the reimbursable expenses to be discussed in 2011, and provide options for streamlining the processing of claims.

71st session (Jul/Aug): With respect to the level of the education grant, ICSC had before it a note by the Human Resource Network which provided the tenth review of the level of the grant. The review was based on the application of the methodology approved by the Commission in 1992 and modified in 1997 and 2010. Expenditure data on 14,724 claims for the academic school year 2008/09 in the 15 individual countries/currency areas in which the grant was administered had been analyzed for that purpose.

After a detailed and thorough analysis, the Commission decided to recommend to the GA that: (a) For Austria, Denmark, France, Germany, Italy, the Netherlands, Spain, Switzerland, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the United States dollar area outside the United States, the maximum admissible expenses and the maximum education grant be adjusted (See A/65/30, para.83 (a)); (b) For Belgium, Ireland, Japan and Sweden the maximum admissible expenses and maximum education grant remain at the current levels (See A/65/30 para.83 (b)); (c) For Austria, Belgium, Denmark, France, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland, the United Kingdom, the United States and the United States dollar area outside the United States, the normal flat rates for boarding taken into account within the maximum admissible educational expenses and the additional amount for reimbursement of boarding costs over and above the maximum grant payable to staff members at designated duty stations be revised (See A/65/30 para.83 (c)) (d) For Ireland and Japan the normal flat rates and the additional flat rates for boarding be maintained (See A/65/30 para.83 (d)); (e) The special measures for China, Hungary, Indonesia, Romania, the Russian Federation as well as the eight specific schools in France be maintained; (f) For

Bulgaria special measures should be discontinued; (g) All of the above measures be applicable as from the school year in progress on 1 January 2011.

The HR Network also identified a number of issues pertaining to the education grant methodology which needed to be addressed. The Commission agreed and requested its secretariat to expand its upcoming review of education grant methodology issues and, in particular, to include the following additional items: (a) The underlying philosophy of the education grant; (b) Review the list of country/currency zones according to the number of claims; for example, in the case of Canada which has its own currency and over 500 claims; (c) The list of admissible expenses should be streamlined and harmonized using work done in the working group that last reviewed the grant; (d) Special education grant: (i) In addition to the list in (c) above review the list of admissible expenses as it relates to disabled children referring to the conclusions reached at the last working group; (ii) Review the education grant ceilings for special education grant taking into, consideration the cost involved in educating disabled children and based on the four options presented by the HR Network; (e) The reimbursement policy relating to one-time capital assessment fees taking into consideration the proposal made by the HR Network during the current review; (f) In determining the level of the grant, revise the methodology and state clearly procedures used in proposing adjustments to the level namely, triggers, the role of cost and fees, as well as representative schools used in determining the MAE etc; (g) Explore various methods for establishing the MAE for the United States dollar area outside the United States; (h) Revise the list of representative schools in view of the experience during this review; (i) Review the criteria for special measures taking into consideration factors such as distance of schools from the duty station and the availability of adequate schools within commuting distance of the duty station.

In resolution 65/248 the General Assembly approved, with effect from the school year in progress on 1 January 2011, the recommendations of the Commission in paragraph 83 of its report and annex III thereto. It also invited the organizations of the United Nations common system to harmonize the education grant eligibility criteria with respect to the minimum age, the maximum age and the coverage of post-secondary education, as specified in paragraph 62 (a) of the report of the Commission.

2011 **73rd session (July)** The review of the education grant methodology with respect to the minimum eligibility age for receipt of the grant was conducted in reaction to a request from the CEB on behalf of staff members residing in Switzerland. A letter from the Swiss authorities stating that: if a child was born between 1 October 2006 and 31 July 2007, it was now mandatory that the child be enrolled in school for the school year 2011/2012, was received by parents at that location. In essence, it became mandatory that any child turning four by 31 July be enrolled in school. This required a change in the existing methodology as regards the minimum eligibility age for receipt of the grant for staff members leaving in Switzerland and who were required to enroll their four-year olds in school. The Commission therefore recommended to the General Assembly that for the school year in progress on 1 January 2012, that the minimum eligibility age criteria be amended as follows:

Minimum age. The child is in full-time attendance at an educational institution at the primary level or above while the staff member is in the service of the organization. Education shall be deemed “primary” for the purposes of this criterion when the child is 5 years of age or older at the beginning of the school year or when the child reaches the age of 5 within three months of the beginning of the school year. **Exceptionally, a lower minimum eligibility age could be accepted for those institutions where an earlier start of formal education is a mandatory legal requirement.**

The organizations of the common system were invited to amend the minimum age eligibility requirement accordingly in order to harmonize the education grant eligibility criteria.

In **resolution 66/235** the General Assembly endorsed, the Commission's recommendation with effect from the school year in progress on 1 January 2012. It also invited the organizations of the United Nations common system to harmonize the education grant eligibility criteria with respect to the minimum age criteria as specified in paragraph 96 of the report of the Commission.

2012 **74th session (Feb/Mar)** The Commission reviewed various aspects of the methodology for determining the education grant and took the following decisions: (a) **decided to maintain** the underlying philosophy of the grant; (b) **revised** the list of admissible expenses under education grant to include the following items when certified by the schools: (i) tuition; (ii) mother-tongue tuition; (iii) transportation costs to and from the place of education for the primary/secondary levels, as provided by or through the schools; (iv) registration/admission fees including examination fees required for the admission; (v) books/textbooks, computer usage fees and laboratory fees; (c) **agreed,** in principle, on introduction of a global lump sum for all currency/country zones for reimbursement of books/textbooks, computer usage and laboratory fees mandatory in the school curriculums. The specific level of the lump sum is to be determined at the seventy-fifth session of the Commission; (d) **agreed** on expanding the list of admissible expenses for special education grant cases to include transportation, a counselling fee, an orientation fee, visual education and alternative modes of communication; (e) **agreed** on reimbursement of the boarding costs using currency/country zone-specific flat rates when the eligibility for boarding reimbursement is verified by the organizations. The specific level of the flat rates is to be determined at the seventy-fifth session of the Commission; (f) **approved** the revised list of representative schools which excludes the post-secondary institutions. The post-secondary institutions were replaced by the following primary/secondary institutions in the following country/currency areas: (i) Japan — Seisen International School; (ii) United Kingdom — Felsted Preparatory School, Royal Russell School, Cranleigh School, Saint Margaret School; (iii) United States — Washington International School, Thornton Donovan School, Sacred Heart School; (iv) Chile — San Cristobal; (v) Lebanon — American Community School; (vi) Canada — Lower Canada College.

The Commission deferred its consideration of other proposals relating to (a) criteria for grouping countries and currency areas; (b) lump-sum amounts for books/textbooks, computer usage fees and laboratory fees; (c) determining and adjusting flat rates for boarding; (d) financial implications of separating the reimbursement of one-time capital assessment fees; (e) feasibility of determining the maximum admissible expenses based on the tuition fees of representative schools; (f) criteria for the implementation of special measures.

75th session (July) The Commission was informed that the ongoing review of the methodology for determining the education grant had not been completed owing to the unavailability of some vital information and data required to carry out the necessary study and analyses. The ICSC secretariat informed the Commission that it will continue working with the organizations towards completing the methodology review at the earliest opportunity.

The Commission decided to recommend to the General Assembly (a) **to adjust** the admissible expenses and the maximum education grant for Austria, Belgium, Denmark, France, Germany, Italy, the Netherlands, Spain, Switzerland, the United Kingdom, the United States and the United States dollar area outside the United States as shown in annex III, table 1 of the ICSC report (A/67/30); (b) **to maintain** at the current level the admissible expenses and the maximum education grant for Ireland, Japan and Sweden; (c) **to revise** the normal flat rates for boarding within the maximum admissible educational expenses for Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Japan, the

Netherlands, Spain, Sweden, the United Kingdom, the United States and the United States dollar area outside the United States, and the additional amount for reimbursement of boarding costs over and above the maximum grant payable to staff members serving at designated duty stations; (d) **to maintain** at the current level the normal flat rate for boarding in Switzerland and additional flat rate for designated duty stations; (e) **to maintain** the special measures for China, Hungary, Indonesia and the Russian Federation, as well as for the eight specific schools in France (namely, American School of Paris, British School of Paris, International School of Paris, American University of Paris, Marymount International School of Paris, European Management School of Lyon, École Active Bilingue Victor Hugo and École Active Bilingue Jeannine Manuel);(f) **to discontinue** the special measures for Romania; (g) **to introduce** special measures Thailand, for the American Cooperative School in Tunis, and the American International School of Johannesburg, South Africa; (h) **to endorse** all above-mentioned adjustments and measures with effect from the school year in progress on 1 January 2013.

In **resolution 67/257** the General Assembly endorsed the Commission's recommendation with effect from the school year in progress on 1 January 2013. It also noted that the number of claims for the education grant has increased by 24 per cent system-wide since the last biennium review in 2010, resulting in a 35 per cent increase in the overall amount of education grant disbursed between 2009 and 2011.

2013 **76th Session (February/March):** On the request from the CEB Human Resources Network the Commission considered special measures for the levels of the education grant in Belgium and Morocco. Upon review, the **Commission decided** to recommend to the General Assembly the introduction of a special education grant measure in Belgium applicable to three English curriculum schools in Brussels, namely, the International School of Brussels, the British School of Brussels and St. John's International School, which would allow reimbursement of the education-related expenses up to the maximum established for the US dollar inside the United States zone with effect for the school year in progress on 1 January 2013. With regard to Morocco, the Commission decided that no special measure was required because there was a procedure already in place for the reimbursement of capital assessment fees.

By **resolution 68/253**, the General Assembly approved the special measures applicable to three English curriculum schools in Brussels as recommended by the Commission.

2015 **2013 - 2015.** As part of **the comprehensive review** of the compensation package for staff in the Professional and higher categories, conducted by the Commission between its 76th to 81st sessions (March 2013 to July 2015), the Commission identified the need to streamline the education grant scheme, in order to make it more cost-effective and predictable in terms of cost, as well as easier to understand, administer and maintain. The scheme proposed by the Commission was made up of the following elements [A/70/30/table 3]:

- Scheme would based on one global sliding scale for reimbursement, consisting of seven brackets, incentivizing the take up of lower cost options by providing higher rates of reimbursement for lower expenses;
- Admissible expenses would cover education at the primary, secondary and tertiary level;
- Admissible expenses limited to tuition (including mother tongue language tuition) and enrolment-related fees. Capital investment fees would be dealt with outside of the scheme.
- Boarding expenses to be reimbursed only for staff in the field based on a flat amount of $5,000 if child is in primary or secondary education and is boarding outside of the staff member's duty station. Special flexibility to be granted to organizations to provide boarding support to staff in H-category duty stations, under certain conditions;

- One round trip for each scholastic year for child of a staff member in receipt of assistance with boarding expenses;
- Updating of sliding scale for reimbursement based on pragmatic decision of the Commission, with reference to movement in fees data for representative schools on a biennial basis.

In its **resolution 70/244** the General Assembly **decided (A/RES/70/244/Section III, paras 25-34)**:

- that the revised education grant scheme shall be introduced as of the school year in progress on 1 January 2018
- to revise the criteria covering post-secondary education to make the grant payable up to the end of the school year in which the child completed four years of post-secondary studies or attained a first post-secondary degree, whichever comes first, subject to the upper age limit of 25 years;
- Further decided that admissible expenses should be tuition (including mother tongue tuition) and enrolment-related fees, as well as assistance with boarding expenses;
- that tuition-and enrolment-related expenses should be reimbursed under a global sliding scale consisting of seven brackets, with declining reimbursement levels ranging from 86 per cent at the lowest bracket to 61 per cent at the sixth bracket and zero per cent at the seventh bracket (as outlined A/70/30/table V)
- Also decided that boarding-related expenses should be paid by a lump sum of 5,000 United States dollars, and only to staff serving in field locations whose children are boarding to attend school outside the duty station at the primary or secondary level, and that, in exceptional cases, boarding assistance should be granted to staff at "H" duty stations under the discretionary authority of executive heads;
- Further decided that round-trip education grant travel between the staff member's duty station and the location of study should be provided for each academic year for a child of staff in receipt of assistance with boarding expenses;
- Also decided that the global sliding scale should be reviewed for possible adjustment, based on movements in tuition fees tracked biennially for a list of representative schools and upon assessment by the Commission;
- Further decided that the amount of assistance with boarding expenses should be reviewed for possible adjustment, based on the movements in fees charged by boarding facilities of International Baccalaureate schools tracked biennially and upon assessment by the Commission;
- Decided that the lists of both the representative schools and the International Baccalaureate schools mentioned in A/70/30/ paragraphs 356 (f) and (g) of the report of the Commission should be reviewed every six years for possible updating.

2019 **89th session (July):** The Commission reviewed document ICSC/89/R.8 which provided findings with respect to the movements of tuition and boarding fees from 29 representative schools. Tuition fee data was collected over a period of five years starting from the 2014-2015 academic year based on which it was determined that the average rate of tuition increase was 15 per cent. Therefore, it was proposed that the existing sliding reimbursement scale brackets be adjusted by a flat rate of 15 per cent (A/74/30, para 72).

The financial implications of adjusting the global scale by 15 per cent was calculated to be US$7.08 million (A/74/30, para 84). Given the imbedded cumulative reimbursement formula of the declining scale, the notional reimbursement increases ranged from 0 per cent at the lowest bracket to about 3 per cent at the top bracket.

With respect to the boarding lump sum, it was found that the average boarding fees at 30 International Baccalaureate schools had increased by 5.3 per cent over five years starting from the 2014-2015 academic year. Accordingly, it was proposed that the boarding lump sum be increased from $5,000 to

$5,300.
Members of the Commission were generally supportive of the proposed adjustments of the sliding scale. At the same time the Commission believed that geographical coverage of schools that were selected merited further consideration during the scheduled review of the list of schools in 2021. A view was also expressed that a reduction in the minimum number of enrollments could also be explored so that a larger set of schools would be evaluated producing more reliable information (A/74/30, para 76).
With respect to the operation of the education grant scheme and boarding lump sum payment, the Commission agreed that the 2020 report on the implementation of the 2016 compensation package, which would also include the evaluation of the revised education grant scheme, would be an opportune moment to cover it, as well as address other questions related to the education grant.
The Commission decided to recommend to the General Assembly that, from the academic year in progress on 1 January 2020:
a)The sliding reimbursement scale be revised as the follows:

Claim amount bracket (United States dollars) Reimbursement rate (percentage)
0 – 11 600 86
11 601 – 17 400 81
17 401 – 23 200 76
23 201 – 29 000 71
29 001 – 34 800 66
34 801 – 40 600 61
40 601 and above 0

b)The boarding lump sum be increased to $5,300 (A/74/30, para 85).

In its resolution 74/255B, the General Assembly decided to defer the consideration of the recommendations of the International Civil Service Commission on the sliding reimbursement scale and the boarding lump sum and requested the Commission to provide a detailed review on the scale and the level of the boarding lump sum, taking into consideration a maximum amount per household, in its next report.

2021 **92nd session (August):** Upon the approval of the revised education grant in 2015, the General Assembly in its resolution A/RES/70/244 decided that the list of schools used to track tuition and boarding fees be re-examined every six years for possible updating. Accordingly, at its 92nd session, the Commission considered document ICSC/91/R.5 which contained sets of representative schools each for tuition and boarding fees that were established using different options. Option A tracked tuition movement at representative schools using the existing approach. It relied exclusively on the number of enrolments of common system staff children at the primary- and secondary level educational institutions worldwide. Under Option B, schools were categorized into seven groups, corresponding to the brackets of the sliding scale for reimbursing tuition and enrollment-related fees, before being ranked by the number of enrolments within each bracket. For boarding fees tracking, Option C focused on the number of enrolments among the recipients of a boarding lump sum at boarding schools worldwide. Although straightforward, this method by its design was not based on geographical coverage. To address concerns over geographical coverage, under Option D, schools attended by boarding lump sum recipients were first grouped by countries in which these schools were located. As the next step, a boarding school with the largest number of enrolments within each of these countries was identified.
The Commission considered that the existing approach for selecting representative schools was straightforward and satisfactory, addressing the concern about the spiral effect inherent in the old scheme. Therefore, option A was seen as preferred for tracking tuition fees. For the same reason, the

Commission also supported option C for tracking boarding fees, which is based solely on the enrolments of the common system staff children at boarding schools.
It was noted that the collection of education claim data for the exercise was highly labour-intensive and complex and prevented some common system organizations from fully complying with the quality requirements for their submission. The Commission reiterated that making informed decisions depended on quality data and requested the common system organizations to continue facilitating data sharing with the Commission's secretariat.
The Commission decided that the two lists of representative schools should be updated based on the number of enrolments of staff children worldwide using the latest claim data available (ICSC/92/R.11, para 97).

92nd session (August): In response to General Assembly resolution 74/255B, the Commission reviewed document ICSC/91/R.4 which contained a detailed review of the reimbursement scale and the level of the boarding lump sum under the current education grant scheme, taking into consideration a maximum amount per household using education-related data collected from the common system organizations. The Commission members agreed that the revised education grant scheme worked well and was more cost-effective, streamlined and transparent. The sliding scale combined with the cost-sharing principle embedded in the scheme was considered an effective tool in encouraging staff to select schools prudently for their children. The Commission noted that the average reimbursement level per claim was about $1,160 lower (A/76/30, para 39), as compared to the average under the previous scheme using the current level. The number of boarding-related claims also decreased because boarding assistance was targeted at staff in field locations and only limited to the children at the primary-and secondary-level education. The Commission agreed that tracking boarding fees was not always straightforward and that any emerging issues regarding the boarding element could be addressed during the review of the education grant methodology.
Regarding the maximum amount per household, although the average out-of-pocket expenses covered by staff almost doubled from one-child households to two-child households, education-related expenses tended to become lower per child from the third child onwards and dropped drastically for households with more than six children. The cost sharing principle in the education grant appeared to work as a natural limit to the education grant claim amount per staff. The Commission also reviewed the practices of the World Bank and the Organization for Economic Co-operation and Development and noted that none of those organizations had imposed limits per household. The Commission agreed that there was no compelling conceptual or financial reason to limit the maximum amount per household.
The Commission decided: a) to report to the General Assembly that the revised education grant scheme had been working as intended and was more streamlined, simple and cost-effective than the previous one; b) to reconfirm, for implementation as from the academic year in progress on 1 January 2022, its 2019 recommendation to the General Assembly regarding the adjustment to the declining scale for the education grant and the boarding lump sum as presented in its 2019 annual report, A/74/30, para. 85.
In its resolution 76/240, the General Assembly decided to adjust the scale upward by 14 per cent on the basis of the scale approved by the General Assembly at its resolution 70/244 and to increase the boarding lump sum to 5,300 United States dollars. The Assembly also requested the Commission to consider providing a review of the education grant scheme, including a detailed analysis of the methodology of the sliding reimbursement scale and the level of the boarding lump sum.

SECTION 4.20
SPECIAL EDUCATION GRANT

1976 **4th session (June/July):** ICSC decided, in connection with its examination of the education grant, to re-examine the special case of handicapped children on the basis of additional information to be provided *[A/31/30, para. 291]*.

1977 **6th session (July)**: FICSA presented to ICSC a study based on replies it had received to a questionnaire which it had addressed to all staff members and an examination of the practices of some other international organizations. The study concluded that the care of disabled children placed heavy burdens on parents and that many disabled children did not receive the appropriate special education due to lack of financial resources. FICSA therefore proposed the introduction of a separate grant for the special education of disabled children together with provision of the determination of eligibility and scales of reimbursement *[A/32/30, paras. 209 and 210]*. ICSC noted that the details of its implementation called for further study, in particular by the organizations. That study not having been made, ICSC was consequently not in a position to submit a detailed proposal to the GA at the current session. It would actively pursue the question and, to that end, requested the organizations to present their comments on FICSA's proposal or possible alternative proposals, together with detailed information on the administrative and budgetary implications. It would be its intention to submit a recommendation to the GA at its 33rd session, when it hoped it would receive the Assembly's sympathetic consideration *[A/32/30, para. 213]*.

1978 **8th session (February/March)**: ICSC gave full support to the principle of providing special assistance for disabled children, noting that many disabled children were not eligible for any assistance under the present provisions of the education grant. It considered that the most effective way of providing such assistance would be not to establish a special grant for this purpose but rather to amend the present provisions of the education grant to provide eligibility for disabled children of all staff members. ICSC recognized, however, that the primary responsibility for the care of such children fell first upon the parents and the State and only then upon the organizations as employers. Accordingly, it concluded that the parents of disabled children should be required to first make use of all outside opportunities for assistance (as well as those provided by the organizations' medical insurance plans) before turning to the education grant. In recognition of the added difficulty and longer period of time normally required to educate disabled children, ICSC decided that in the case of a disabled child the education grant should be payable up to the end of the year in which the child reached the age of 25 years *[A/33/30, para. 245]*.

ICSC therefore recommended that the GA approve the extension of the conditions of the education grant to provide assistance for the education of disabled children of staff members in the following terms:

"Special provisions for the education of disabled children

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

"B. The grant under these special provisions shall be payable from the date on which the special teaching or training is required up to the end of the year in which the child reaches the age of 25 years.

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

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

"E. Other provisions of the education grant shall apply in the case of a disabled child except as modified in paragraphs A through D above." *[A/33/30, para. 246]*

The GA approved the special education grant for disabled children by **resolution 33/119**. *Further adjustments to the special education grant can be found in section 4.10 "Education Grant".*

1985 **21st and 22nd sessions (March and July)**: In response to requests by FICSA and CCAQ, ICSC addressed the issue of support for staff with disabled children *[A/40/30, para. 175]*. ICSC considered a request that the first $ 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. ICSC recommended that with effect from 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 $ 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 UN 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. ICSC requested the organizations to: (i) provide greater information to locally recruited staff at field duty stations concerning disabilities - their causes, prevention and rehabilitation; (ii) assist locally recruited staff in the field in the preparation of appropriate submissions to the headquarters medical authorities for benefits under the above provisions *[A/40/30, paras. 179-181]*.

The GA approved ICSC's recommendations by **resolution 40/244**.

2015 **2013 - 2015**. As part of **the comprehensive review** of the compensation package for staff in the Professional and higher categories, conducted by the Commission between its 76th to 81st sessions (March 2013 to July 2015), the Commission identified the need to streamline the education grant scheme, in order to make it more cost-effective and predictable in terms of cost, as well as easier to understand, administer and maintain. Following the proposed changes to the regular education grant scheme, the provisions of the special education grant were also reviewed. In the light of the small number of claims for transportation, meals and books under the special education grant scheme, it was

proposed that such claims would continue to be admissible under the special education grant scheme. For the sake of simplicity, all such expenses, along with those covered by the education grant scheme, would be aggregated for reimbursement up to a ceiling amount. The ceiling for the special education grant itself would be set with reference to the uppermost bracket of the sliding scale for the education grant plus the amount of $5,000, equivalent to the lump sum for boarding expenses provided in the proposed education grant scheme. Admissible expenses would be reimbursed at a rate of 100 per cent up to the ceiling. In terms of boarding-related support, it is proposed that actual expenses be used in the calculation of total admissible expenses for reimbursement, and reimbursed up to the overall grant ceiling.

In its **resolution 70/244** the General Assembly **decided** that:

- the special education grant for children with disabilities shall continue to apply after the introduction of the revised regular education grant scheme, subject to the overall global ceiling equal to the upper limit of the sliding scale plus the amount equivalent to the boarding lump sum under the regular education grant scheme;
- Further decides that the maximum admissible expenses for the special education grant should be synchronized with those of the education grant, so as to set the maximum at an amount equal to the upper limit of the top bracket of the applicable global sliding scale;
- Decides that for boarding assistance under the special education grant for children with disabilities, actual expenses should be used in the calculation of the total admissible expenses for reimbursement, up to the overall grant ceiling equal to the upper limit of the top bracket of the global sliding scale, plus the amount of 5,000 dollars equivalent to the boarding lump sum paid in the education grant scheme. (**A/RES/70/244/Section III, paras 35-37)**

SECTION 4.30
TRAVEL, REMOVAL AND SHIPMENT ENTITLEMENTS (INCL. DISCONTINUED INSTALLATION AND ASSIGNMENT GRANTS, AND THE RELOCATION PACKAGE)

1976 **3rd session (March)**: ICSC reviewed the entitlements to removal and shipment of personal effects. The principle that the organizations should pay the cost of travel of staff members and their dependants, as well as the removal of their household effects, on initial appointment, on subsequent changes of duty and at the end of service had been enunciated by the Preparatory Commission and embodied in the Staff Rules from 1946. On the basis of the recommendations of successive review bodies, the class of travel authorized for staff members had been adapted to changing conditions; by **resolution 3048 (XXVII)** (1972), the GA decided that the standard class for air travel should be economy class, first class travel being limited to the SG and senior officials accompanying him and designated by him, Under-Secretaries-General and Assistant Secretaries-General. Similar provisions had been enacted by most other organizations *[A/31/30, para. 294]*.

ICSC proposed no change as regards class of travel, installation grant or removal expenses and no change in the amounts or conditions of the assignment allowance; but proposed reviewing the rates whenever necessary *[A/31/30, para. 300]*.

Note: any references elsewhere in the Compendium to section numbers 3.90 and 4.40 should now be amended to section number 4.30.

Includes discontinued installation and assignment grants and relocation package

3rd session (March)

ICSC reviewed the entitlements to removal and shipment of personal effects. The principle that the organizations should pay the cost of travel of staff members and their dependants, as well as the removal of their household effects, on initial appointment, on subsequent changes of duty and at the end of service had been enunciated by the Preparatory Commission and embodied in the Staff Rules from 1946. On the basis of the recommendations of successive review bodies, the class of travel authorized for staff members had been adapted to changing conditions; by resolution 3048 (XXVII) (1972), the GA decided that the standard class for air travel should be economy class, first class travel being limited to the SG and senior officials accompanying him and designated by him, Under - Secretaries-General and Assistant Secretaries-General. Similar provisions had been enacted by most other organizations [A/31/30, para. 294].
ICSC proposed no change as regards class of travel, installation grant or removal expenses and no change in the amounts or conditions of the assignment allowance; but proposed reviewing the rates whenever necessary [A/31/30, para. 300].

The following section is regarding INSTALLATION GRANT Discontinued as of 1 July 1990

3rd session (March)

ICSC reviewed the installation grant, the purpose of which was to cover the cost of temporary lodgings and other non-recurring expenditures in the initial period after arrival at a duty station. The grant had been established on the recommendation of the 1956 Salary Review Committee at 30 days of standard daily subsistence allowance for the area concerned for staff with dependants and 15 days for those without, with the possibility of extension of those periods up to 60 and 30 days, respectively, at duty stations where exceptional housing difficulties existed. The 1971-1972 Special Committee recommended that the terms of the grant be reviewed by ICSC (which was to be established) [A/31/30, para. 295]. ICSC proposed no change in the installation grant [A/31/30, para. 300].

1978 **8th session (July)**

ICSC noted the terms of the installation grant, which included a lump -sum element, payable only at duty stations outside Europe and North America (with certain exceptions), the amount of which had remained unchanged since it was first established in 1969 at $300 for staff not accompanied by dependants and $600 for those accompanied by dependants. It observed that the existing provisions were inferior to those of a number of national aid programmes, including that of the comparator country; many such programmes furthermore ensured that accommodation was ready and waiting for their staff on arrival in a new duty station. ICSC accepted that the difference between 30 days for staff with dependants and 15 days for single staff was not justified and decided to standardize the period of entitlement at 30 days (the existing provisions for extensions when it was certified that no permanent living quarters could be found being maintained). As regards the lump-sum element of the grant payable only in field duty stations, ICSC recognized also that the existing differentiations between staff members accompanied and unaccompanied by dependants were not wholly satisfactory in that they provided the same amount to a staff member with a spouse but no children as to a staff member with a spouse and children. It therefore approved a unified scale whereby the amount of the grant would be $300 for the staff member and for each dependant up to a total of four persons (including the staff member) [A/33/30, paras. 276- 279].

1982 **16th session (July)**

In the context of the comprehensive review of conditions of service in the field, ICSC decided to increase the lump sum of the installation grant for field staff to $600 for staff members and dependants, subject to a total payment of $2,400 per family, with effect from 1 January 1983 (see also section 7.10) [A/37/30, para. 242(a)].

1986 **23rd session (March)**

CCAQ informed ICSC that a special arrangement for the payment of extended installation grant in Hanoi, promulgated by the ICSC Chairman, was being implemented by the organizations [CCAQ Handbook, Section 4.5, para. 32].

1989 **30th session (August)**

As part of the comprehensive review of the conditions of service of the P and higher categories (see section 2.1.90), ICSC recommended to the GA that the installation grant be discontinued in the context of a new mobility and hardship scheme, to go into effect on 1 July 1990 (A/44/30 Volume II, para. 333(a)).

The GA, in resolution 44/198, approved the ICSC recommendations (see mobility and hardship allowance: section 3.80, and assignment grant: see assignment grant in the following text). The installation grant was thus discontinued as of 1 July 1990.

29th and 30th sessions (March and August):

As part of the new mobility and hardship scheme, ICSC proposed an assignment grant (which would replace the installation grant; see installation grant in the earlier text in this section). It recommended that at field duty stations the assignment grant should consist of 30 days DSA plus one half that amount for each accompanying dependant and a lump-sum payment equivalent to two months' base salary plus PA at the new duty station at the staff member's grade and step (one month's salary for a contract for less than two years). At HQ duty stations and other European, North American and similar designated locations, the assignment grant would consist of 30 days DSA, plus one half that amount

for each accompanying dependant, and a lump sum equivalent to one month's base salary plus PA at the new duty station at the staff member's grade and step [A/44/30, vol. II, paras. 323-326 and 333].

A number of recommendations were also made with regard to a review by CCAQ of removal and shipping entitlements, as well as family-related measures, including measures to deal with the problem of "split households". Pending that review, it was recommended that the following measures should be applied to ensure the correct relationship between the entitlement under the proposed new scheme: (a) for staff with removal entitlements (i) at HQ (and related) locations, mobility and hardship allowance (see section 3.80) would apply as per the matrix. The lump-sum payment of one month's salary would not apply under the assignment grant; (ii) at field locations a reduction of 5 percentage points in the mobility/hardship matrix would be applied and only one month's salary would be paid under the assignment grant; (b) for staff without removal entitlements (i) at HQ (and related duty stations), the percentages under the matrix would be increased by 3 percentage points on the H line, which would represent the approximate existing value of the assignment allowance. The assignment grant applicable to HQ would apply; (ii) in the field, the mobility and hardship allowance as per the matrix and the field assignment grant would apply [A/44/30, vol. II, para. 333(a)].

By resolution 44/198, the General Assembly approved the assignment grant as recommended by ICSC, with effect from 1 July 1990. The installation grant was thus discontinued as of 1 July 1990. The General Assembly requested ICSC to report to the 47th (1992) session on the operation of the mobility and hardship allowance and the assignment grant. Further information can be found in: mobility and hardship allowance: section 3.80.

1990 **32nd session (July/August):**

ICSC examined the implications of the decisions of the GA arising out of the comprehensive review of conditions of service of the P and higher categories as they related to the GS and related categories, and decided to recommend to the organizations that the assignment grant should be payable to internationally recruited GS staff on the same terms and conditions as for the P and higher categories, with effect from 1 July 1990 [A/45/30, paras. 224 and 235].

1992 **36th session (July/August):**

In response to the request in resolution 44/198, ICSC undertook a review (ICSC/36/R.15) of the operation of the mobility and hardship allowance and the assignment grant. Recalling that the assignment grant had been introduced on a cost-neutral basis, it took note of the reported total costs to the system of the assignment grant as at end-December 1991 [A/47/30, paras. 273-274]. ICSC decided to report to the GA that the mobility and hardship scheme was, in general, operating satisfactorily in relation to its stated objectives, and the costs of the scheme appeared to be in line with the levels foreseen at the time of its introduction. In view of the need to monitor the operation of the scheme closely, as well as of the fact that a relatively short time had elapsed since its introduction, ICSC woul d review its operation again in 1995; in the meantime, it recommended that the existing parameters of the scheme be maintained [A/47/30, para. 283]. The GA, in resolution 47/216 took note of the conclusions of this review and requested a further report on the operation of the scheme for the 51st (1996) session (for further details, see section 3.80: mobility and hardship allowance).

1996 **43rd session (April/May):**

In the context of a review of the mobility and hardship scheme (see section 3.80 for details), ICSC noted information provided (ICSC/43/R.14) with respect to the assignment grant. The increase in the cost of the grant by 4.1 per cent between end 1991 and end 1994 was below inflation-related increases in remuneration. At the same time, ICSC wished to emphasize that while the assignment grant was part

of the mobility and hardship scheme, its scope transcended that of mobility and hardship arrangements per se to include all cases of appointment or reassignment at all locations. The costs of the assignment grant were therefore not fully imputable to mobility and hardship arrangements [A/51/30, para. 279].

44th session (July):

In resolution 44/198, the General Assembly had introduced a mobility and hardship allowance effective 1 July 1990. At the request of the Assembly, the Commission had reviewed the operation of the scheme, including the assignment grant, in 1992. At that time, the Commission had decided to recommend that the parameters of the scheme be maintained unchanged, while signaling its intention to review the scheme again after more experience had been gained in its operation. While concurring with the Commission's conclusions, the General Assembly, in resolution 47/216, requested the Commission to include a number of additional elements in its follow-up review.

In addressing the Assembly's request, the Commission noted the information that had been provided with respect to the assignment grant. The increase in the cost of the grant by 4.1 per cent between end 1991 and end 1994 was below inflation-related increases in remuneration. At the same time, the Commission wished to emphasize that while the assignment grant was part of the mobility and hardship scheme, its scope transcended that of mobility and hardship arrangements per se, to include all cases of appointment or reassignment at all locations. The costs of the assignment grant were therefore not fully imputable to mobility and hardship arrangements (A/51/30, para. 278).

The General Assembly, inter alia, took note of the conclusions of the International Civil Service Commission in respect of the operation of the mobility and hardship scheme as contained in chapter VII of its report (A/RES/51/216)

2005 **61st session:**

The Commission as part of its review of the pay and benefits system considered modernizing and simplifying allowances. In this regard, the Commission recommended to the General Assembly approve the proposed arrangements for mobility, hardship, non-removal and the assignment grant as set out in annex II which was as follows: When the assignment is expected to be of three or more years' duration, two months' lump sum would be paid at the time of assignment. If the staff member did not remain for at least three years, recovery of a one-month lump sum would be in effect (A/60/30, Annex II, D).

2015 *The following section is regarding Relocation travel, Relocation shipment and Settling-in grant*

80th and 81st sessions (Mar/July): As part of the comprehensive review, the ICSC considered integrating the mobility allowance and the settling-in grant (assignment grant). However, based on a number of considerations, it decided against doing so. The Commission then considered a new proposal to simplify and streamline relocation related elements which included - relocation travel & shipment and a settling-in grant (lump-sum of one-month salary + 30 days of DSA for staff and 15 days of local daily subsistence allowance for each accompanying eligible family member). As a result, the non-removal allowance was discontinued and the assignment grant (lump-sum and DSA potions, except for the 2nd lump-sum portion of one month's salary which was available previously in field duty stations with the non-removal option) were integrated into the settling-in grant.

The Commission decided: (a) To establish a new relocation package consisting of three main features: relocation travel, relocation shipment and a settling-in grant; (b) To discontinue the current non-removal allowance, assignment grant and relocation grant upon introduction of the new relocation package; (c) To retain the current approach to relocation travel, which would remain the responsibility

of the organization; (d) To provide full removal of household goods for relocation shipment if that option was available, and, if not, to provide the option of full removal up to the established entitlement, which would be reimbursed to staff upon presentation of an invoice. In lieu of full removal, one of the following options could apply: (i) Lump-sum option established at 70 per cent of the actual cost of relocation shipments; (ii) Lump sum set by organizations based on 70 per cent of costs of past shipments, not exceeding $18,000; (e) To provide an approach similar to that in subparagraph (d) above for partial removal of household goods within an appropriate entitlement according to circumstances, including for appointments of less than two years, reassignments within the same country, mission area or area of operations and moves between non-family duty stations; (f) To provide an entitlement for relocation shipment of household goods for staff with assignments of two years or more up to a standard 20-foot container for single staff and a 40-foot container for staff with eligible family members, regardless of the weight of household goods, via the most cost-effective route and mode of transportation; (g) To provide a settling-in grant for the initial cost of relocation equivalent to 30 days of local daily subsistence allowance for staff, plus 15 days of local daily subsistence allowance for each accompanying eligible family member, plus a lumpsum amount equivalent to one month of the net base salary at grade P-4/step VI, plus the applicable post adjustment; (h) To continue to pay the non-removal allowance to staff who move before the implementation date of the new relocation package and opt for non-removal of household goods (that is, partial removal) up to five years at the same duty station or until the staff move to another duty station, as a transitional measure.

The Commission requested the organizations to report on the actual annual costs of relocation under the relocation package after two years of implementation of the new compensation system, in order to conduct a review. (A/70/30, para. 399).

The General Assembly:

Approved the Commission’s recommendation to discontinue the non-removal allowance;

Decided, for staff who move before the implementation date of the new relocation package and who choose the option of non-removal of household goods, to continue to pay the non-removal allowance for up to five years at the same duty station or until the staff member moves to another duty station, as a transitional measure;

Also decided to retain the current approach to relocation travel, which would remain the responsibility of the organizations of the common system;

Approved the options concerning relocation shipments provided by the Commission in paragraph 399 (d) and (f) of its report;

Decided to provide a settling-in grant equivalent to 30 days of local daily subsistence allowance for staff, plus 15 days of local daily subsistence allowance for each accompanying eligible family member, and a lump-sum amount equivalent to one month of net base pay plus applicable post adjustment (A/RES/70/24).

2019 **88th session:**

As per its decision in 2015, the Commission reviewed the ceiling for the relocation shipment based on information provided by the organizations.

The Commission decided, inter alia, to maintain the ceiling for the relocation shipment-related lump-

sum payments, in lieu of full removal by organizations, at the current level of $18,000 and to review the ceiling every three years using actual shipment cost data obtained from the organizations of the United Nations common system. (A/74/30, para. 160).

2022 93rd session (March-April): At its ninety-third session, the Commission considered a report by its secretariat reviewing the ceiling for relocation shipment-related lump-sum payments using data on actual costs for relocation shipments received from the organizations. It also provided information on relocation shipment options offered by the organizations in the common system. Based on the analysis of the actual relocation shipment cost data for the period from 2018 to 2020, the report proposed maintaining the ceiling for relocation shipment at the current level of $18,000. [A/77/30]

The Commission decided:
(a) To take note of the information pertaining to the review of ceiling for relocation shipment;
(b) To maintain the ceiling for the relocation shipment-related lump-sum payment in lieu of full removal by organization at the current level of $18,000;
(c) To request its secretariat to review the ceiling for relocation shipment payment every three years using actual shipment cost data obtained from the organizations of the United Nations common system;
(d) To request all organizations of the United Nations common system to provide data on the actual costs of relocation shipments and other relevant information every three years in order to conduct the Commission's review effectively. [A/77/30, para. 249]

SECTION 4.40
INSTALLATION GRANT (DISCONTINUED AS OF 1 JULY 1990)

2020 Refer to Section 4.30 - Travel, removal and shipment entitlements

SECTION 4.50
ANNUAL LEAVE

1978 **7th session (February/March)**: ICSC inquired into the justification for staff members being able to carry forward unused annual leave entitlements from one year to the next and so acquiring an entitlement to a cash payment upon separation. It affirmed that, as a general rule, leave should be taken in the year in which it was due, in the interest of maintaining the standards of health and efficiency of the staff and so as to permit the orderly planning of replacements of staff absent on leave; it urged the organizations to take measures to encourage and facilitate that being done. At the same time, it recognized that to rule that any leave not taken in the year in which it was due be forfeited would be excessive. It would be prejudicial to expatriate staff who might legitimately wish to accumulate their entitlement so as to take as much as possible when they travelled on home leave. There were also valid circumstances in which staff members could not be authorized to take the full amount of their annual leave on account of the "exigencies of the service", such as an exceptional workload, absence of other staff or, in field projects, the calendar of work of the project. In those circumstances, it was equitable that staff be allowed to carry forward the unused leave, subject to administrative control to ensure that the deferral was reasonable and to placing limits both on the proportion of the annual entitlement which could be carried forward and on the maximum carry-over. In this connection, ICSC found that the existing limit on the maximum carry-over which could be carried forward was satisfactory, in relation, *inter alia*, to national practice. It recommended that those organizations which did not have in their rules a provision to the effect that not more than 15 days may be carried forward from any given year should include it, at least for staff in HQ and established offices, with the result that at the time of separation the staff member may have an entitlement of up to 60 days' annual leave. To require staff to exhaust their leave entitlement before the date foreseen for separation or to extend their appointment by the corresponding number of days could often be counter productive, for example, when it resulted in the interruption of work of a continuing nature; extending staff members' appointment would, moreover, be more costly, since they would then be paid the full amount of their remuneration, including PA and allowances, whereas the payment in lieu of annual leave was made in terms of net pay (i.e., pensionable remuneration less staff assessment), exclusive of PA and allowances. ICSC therefore saw no reason to change the existing provisions *[A/33/30, para. 197]*.

1986 The GA in **resolution 41/213** requested the SG to transmit recommendation 61 of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the UN (Group of 18) to ICSC with the request to report to the GA at its 42nd session, so as to enable the Assembly to make a final decision. Recommendation 61 stated: "The total entitlements (salaries and other conditions of service) of staff members have reached a level which gives reason for serious concern and it should be reduced. In particular, the elimination of the education grant for post-secondary studies and the establishment of a four-week annual leave system for all staff members should be considered for prompt implementation."

1987 **25th session (March):** In regard to recommendation 61, ICSC decided to recommend that the current annual leave entitlement of 30 days per annum should not be changed. The GA took no further action on this matter.

2006 **63rd Session (July):** As part of its review of the pay and benefits system, ICSC decided to include in its programme of work for 2005-2006, a review of all leave entitlements. An information paper [ICSC/63/R.2] summarizing all leave entitlements was prepared by the secretariat; however, the Commission responded by requesting that a more comprehensive inventory of leave practices, similar paid closure days and work hours of all organizations of the common system as well as the leave practices, holidays and work hours of the comparator be prepared and reviewed during the sixty-fifth session [ICSC/63/R17, para.61].

2007 **65th Session (July):** As a result of the Commission's request, the Human Resource Network prepared a note (ICSC/65/R3) in that regard and, in response the secretariat prepared an annex to that note.

Based on document ICSC/65/R3, the Commission decided that its coordinating and regulatory role in the area of leave entitlements should be concentrated on ensuring a consistent common system policy with respect to those entitlements of leave (e.g. annual, home and sick leave) which were essential to maintaining harmonized recruitment incentives, facilitating mobility of staff and ensuring coherent conditions of employment among organizations with similarly situated staff. On other leave entitlements, the Commission, while encouraging the organizations to consult with it, gave them flexibility to address issues in light of recent trends and best practices. The Commission also urged the organizations to strengthen partnership with the Commission and monitor best practices and developments in the area of leave entitlements [A/62/30, paras.57-59].

SECTION 4.60
HOME LEAVE

1976 **3rd and 4th sessions (February/March and July/August)**: ICSC considered home leave as a subsidiary item in the framework of the review of the salary system. The principle that staff members serving outside their home country should be enabled to return there periodically had been formulated by the Preparatory Commission in 1946. The 1949 Committee of Experts on Salary, Allowance and Leave Systems had defined the purpose of home leave as being "to serve, in the first place, the interest of the organization, that is, to enable individual staff members to maintain their national ties and interests, and in particular their professional and official contacts, so that the representative character (in terms of different cultures and experience) of the staff as a whole is kept alive; and in the second place, to afford the individual staff member the opportunity of renewing his personal ties and contacts and thereby to provide some measure of compensation for his expatriated status". The entitlement provided for both travel expenses and two weeks of leave not chargeable to annual leave. The latter provision was eliminated in 1951. An earlier entitlement of up to 30 days' travel time was also reduced in 1956 to the standard entitlement for travel by air. Provision was subsequently made for staff members, none of whose dependants had joined them at the duty station, to travel to the place of their home or the place from which they were recruited or to their former duty station once every year in which their home leave did not fall due, to visit their families *[A/31/30, para. 271]*.

ICSC did not recommend any changes as regards home leave or travel to visit dependants *[A/31/30, para. 274]*.

1980 **11th session (February/March)**: ICSC considered that for duty stations where unfavourable conditions tended to be grouped as regards health, climate, isolation and other local conditions, it was not possible to take specific action which would change the conditons in question. Therefore, the most effective remedy, where these conditions were highly adverse, was to provide staff members and their families an opportunity to leave the duty station more often. ICSC considered that staff members and their families would derive much more benefit from a visit to their home country. ICSC therefore considered that for staff members in duty stations found to have the least satisfactory conditions of health, climate, isolation and other local conditions, the frequency of home leave should be increased to once every 12 months. For an intermediate category of duty stations at which conditions were found to be difficult but not among the least satisfactory, the frequency should be increased to 18 months. For all other duty stations, the 24-month frequency should be maintained. Furthermore, the "rest and recuperation" leave entitlement would be abolished but the additional travel entitlement (unlike the regular home leave entitlement) would be available, at the staff members' request and provided the cost was not greater, for travel to the headquarters country of the organization or another place which the staff members preferred and where the leave would serve the same purposes as in their home country. ICSC noted that such travel should be subject to the exigencies of the service and that in some cases the leave could not be taken because of the difficulty of reconciling it with the annual work cycle *[A/35/30, para. 223]*.

ICSC recommended that the staff regulations of the organizations should be modified, with effect from 1 January 1981, to increase the periodicity of home leave to 12 and 18 months for staff members serving in very difficult and difficult field duty stations respectively. The designation of duty stations qualifying for the 12- and 18- month periodicity of home leave would be determined on the basis of a formula which included a predetermined mix of adverse conditions as regards six factors of conditions of life and work and which would be applied and maintained solely by ICSC. The exact number of duty stations which would qualify for the new cycles of home leave would be determined once all the questionnaires had been returned. The financial implications of the recommendation would be $296,000 for all organizations and all duty stations *[A/35/30, paras. 223 and 224]*. *(See also section*

7.20 on the scheme for the classification of duty stations according to conditions of life and work - the hardship scheme).

1989 **29th session (March) and 30th session (August)**: As part of the new mobility and hardship scheme (see section 3.80), ICSC recommended that home leave provisions should be as follows: (a) 24 month home leave would apply to HQ and locations in category levels A and B; consequently the 18-month home leave entitlement currently applicable to duty stations corresponding to category B under the new mobility/hardship matrix, would be discontinued. The 18-month home leave cycle entitlement would be replaced by a monetary value in the new scheme, which would largely compensate for the reduced home leave entitlement and enable staff to take leave at their discretion; (b) annual home leave would continue to apply at locations in categories C, D and E *[A/44/30, vol. II, para. 328]*.

By **resolution 44/198**, the GA approved the ICSC recommendations, with effect from 1 July 1990.

2006 **63RD Session (July):** As part of its review of the pay and benefits system, ICSC decided to include in its programme of work for 2005-2006, a review of all leave entitlements. An information paper [ICSC/63/R.2] summarizing all leave entitlements was prepared by the secretariat; however, the Commission responded by requesting that a more comprehensive inventory of leave practices, similar paid closure days and work hours of all organizations of the common system as well as the leave practices, holidays and work hours of the comparator be prepared and reviewed during the sixty-fifth session [ICSC/63/R17, para. 61].

2007 **65th Session (July):** As a result of the Commission's request, the Human Resource Network prepared a note (ICSC/65/R3) in that regard and, in response the secretariat prepared an annex to that note.

Based on document ICSC/65/R3, the Commission decided that its coordinating and regulatory role in the area of leave entitlements should be concentrated on ensuring a consistent common system policy with respect to those entitlements of leave (e.g. annual, home and sick leave) which were essential to maintaining harmonized recruitment incentives, facilitating mobility of staff and ensuring coherent conditions of employment among organizations with similarly situated staff. On other leave entitlements, the Commission, while encouraging the organizations to consult with it, gave them flexibility to address issues in light of recent trends and best practices. The Commission also urged the organizations to strengthen partnership with the Commission and monitor best practices and developments in the area of leave entitlements [A/62/30, paras.57-59].

2015 **80th session (March)**: At its eightieth session, as part of the comprehensive review of the compensation system for Professional and Higher categories of staff, the Commission considered a report by a working group which included recommendations regarding the Rest and Recuperation scheme and the discontinuation of accelerated home leave.

81st session (July-August): The Commission noted the existence of other paid travel provided by the organizations, such as home leave, family visit and education grant travel, and again noted the overlap between the rest and recuperation framework and accelerated home leave travel. The Commission noted that no transitional measures would be required if accelerated home leave were to be discontinued.

The Commission recommended, inter alia, to discontinue accelerated home leave travel. [A/70/30, para. 443(b)].

The General Assembly, inter alia, decided to discontinue accelerated home leave travel, except at category D and E duty stations that do not fall under the rest and recuperation framework; (A/RES/70/244, para. 51).

SECTION 4.70
SEPARATION PAYMENTS

1976 **3rd and 4th sessions (March and August):** As requested by the GA in resolutions 3357 (XXIX) (1974) and 3418 (XXX) (1975), ICSC reviewed separation payments as one of the items within the framework of the review of the UN salary system. It recommended that in order to reduce the need in future for consolidation of classes of post adjustment into base salary, those terminal payments (repatriation grant, payment in lieu of accumulated annual leave, termination indemnities, etc.) which were expressed in terms of base pay should be expressed in terms of pensionable remuneration less staff assessment *[A/31/30, para. 65]*. The GA adopted this recommendation by resolution 31/141 B, but requested ICSC to re-examine, in the light of the views expressed in the Fifth Committee the conditions for the provision of terminal payments (e.g., repatriation grant, termination indemnities), in particular on retirement, and the possibility of establishing a ceiling for the maximum aggregate of entitlements to these payments.

1978 **7th session (February/March)**: ICSC examined the concern which had been expressed in the course of the discussion in the Fifth Committee at the 31st session of the GA that the total amount of money which staff members might receive on separation if they qualified for several different entitlements might be deemed excessive *[A/33/30, para. 199]*. ICSC recalled that it had examined each of the separate entitlements which a staff member might have on cessation of service and had concluded that the specific purpose which each was designed to fulfil was justified and that the amounts and conditions were appropriate. To impose a ceiling on the aggregate amount of a staff member's entitlements would be to cast doubt on the intrinsic justification for each of them. ICSC concluded that each separation entitlement was designed to fulfil a specific purpose; the cumulations of entitlements which could occur were rationally justified, given the intrinsic justification for each entitlement; and to pay staff members less than the aggregate of the amounts to which they were entitled under the different rules would be of dubious legality and rationality and might result in inequitable treatment of some staff members *[A/33/30, paras. 201 and 202]*.

1981 **14th session (July)**: ICSC examined document ICSC/R.276 concerning the method for determining separation payments. It noted that the GA, in **resolution 35/214 A**, had approved a dual system of pensionable remuneration for staff in the P and higher categories, with effect from 1 January 1981, without taking a decision on the bases to be used for purposes of separation payments. ICSC considered three alternative grounds for making separation payments: (a) the pensionable remuneration used as a basis for payments of pension benefits (PR/B), based on movements of the US consumer price index (CPI); (b) the pensionable remuneration used as a basis for contributions to the Joint Staff Pension Fund, based on movements of WAPA (PR/C) subject to the level of PR/B as a floor; (c) a notional pensionable remuneration based on movements of WAPA alone, i.e., gross salary adjusted by WAPA, less staff assessment (equivalent to what had been used prior to 1 January 1981) *[A/36/30, paras. 112-114]*.

It was clear to ICSC that the changes in definition of pensionable remuneration that had been adopted by the GA were designed solely for pension purposes and that through an oversight, no attention had been given to the separation payment aspect. The pensionable remuneration for benefit purposes was linked to the US CPI, having in mind the system of dollar-based pensions. A floor was placed on the pensionable remuneration for contribution purposes for reasons of protecting the financial integrity of the UNJSPF. ICSC agreed that alternative (c) was not open to either of those considerations. Alternative (c) was, in fact, the same as alternative (b) without a floor, which was, in principle, the procedure that had been applied prior to 1 January 1981.

ICSC recommended, therefore, to the GA that separation payments should continue to be based on gross salary, adjusted by movements of WAPA. The scale published in the 6th annual report *[A/35/30,*

Corr. annex V] should govern separation payments until ICSC published a new scale. In practical terms, that meant that the scale with effect from 1 January 1981, less staff assessment, would be taken as a base, representing gross salary plus a 17.9 per cent movement of WAPA (on 1 September 1980), as had been approved by the GA. Future movements of WAPA would be measured initially from that base date and movements upward or downward of 5 per cent or more, on 1 January and on 1 July of each year, from the date of the last change, would be implemented from the following 1 April and 1 October, respectively *[A/36/30, paras. 117-119]*.

By **decision 36/459,** the GA decided that separation payments (commutation of annual leave, repatriation grant, death grant and termination indemnity) for the P and higher categories should continue to be based on gross salary adjusted by the movements of WAPA, less staff assessment.

By **resolution 39/69**, the GA decided to consolidate 20 points of post adjustment into base salary effective 1 January 1985 and, in conjunction with the above action, decided that, with effect from 1 January 1985, separation payments for staff in the P and higher categories would continue to be based on the 1981 scale, subject to the approved adjustment procedure and the revised scale of staff assessment for this category of staff with effect from 1 January 1985 *[A/41/30, para. 105]*.

1986 **24th session (July)**: ICSC noted that since 1981, separation payments for the P and higher categories had been determined by reference to gross salary adjusted by movements of WAPA less staff assessment. The Chairman had issued a revised scale of separation payments for the P and higher categories with effect from 1 April 1986. ICSC also recognized that, while PA in New York had been frozen since 1 December 1984 and action had been taken to bring post adjustment indices (PAIs) at other duty stations in line with New York, the WAPA adjustment mechanism did not take that factor into consideration. ICSC was of the view that the revised procedure recommended by the secretariat with the amendments suggested by the organizations would take fully into account any differences between PAIs and pay indices at all duty stations. ICSC therefore decided that, with effect from 1 January 1986, the base date for the calculation of WAPA, the adjustment mechanism should be modified as follows: (a) the WAPA index should be calculated based on the multipliers in effect on 1 January 1986 at all duty stations that had a total of 60 or more staff in the P and higher categories, or 35 or more such staff in a single organization as at 31 December 1985, using as weights the number of staff at each duty station; (b) using the same duty stations and weights, a second WAPA index should be calculated based on the PAI at each duty station; (c) the WAPA index to be used for the purpose of adjusting the scale of separation payment should be the re-based index reflecting the ratio of the PAI-based WAPA index to the multiplier-based WAPA index; (d) the computations should be based on the average WAPA index for three consecutive months, namely, June, July and August, for any change in separation payments with effect from 1 October; and December, January and February for any change with effect from 1 April. Based on the procedure described above, the WAPA index as at 1 January 1986 was 93.5. Future movements of WAPA should be measured against that base *[A/41/30, paras. 112 and 113]*.

1987 **26th session (July)**: ICSC considered a request by the UN for the consolidation of 20 points of post adjustment into base salary for staff in the P and higher categories in connection with the projected imbalance in the Tax Equalization Fund. It decided to recommend to the GA that it should: (a) maintain the current scale of staff assessment for staff members with a dependent spouse or a dependent child for purposes for pensionable remuneration and pensions; and (b) approve revised rates of staff assessment to be used in conjunction with **gross base salaries and the gross amounts of separation payments**, with one set of rates applying to staff members with a dependent spouse or a dependent child and another set of rates for staff members with neither a dependent spouse nor a dependent child *(A/42/30, annex VIII)*. To give the organizations time to make the necessary changes

in their staff rules and/or regulations, ICSC recommended that the proposed changes should be introduced with effect from 1 April 1988 *[A/42/30, paras. 119 and 120]*.

The GA by **resolution 42/221**, approved, *inter alia*, the scale of separation payments with effect from 1 April 1988.

1989 **30th session (August)**: As part of the comprehensive review of conditions of service *(see section 2.1.90)*, ICSC reviewed existing provisions on separation payments and recommended to the GA that: (a) the terms and conditions for the payment of a termination indemnity, including the schedule of entitlements, should remain unchanged; (b) the repatriation grant entitlement for staff without a spouse or a dependent child at the time of separation should be set at a uniform 75 per cent of the existing entitlement at the dependency rate; (c) the terms and conditions for payment of the repatriation grant should remain unchanged in all other respects; (d) the lump-sum amount payable in lieu of unused annual leave should be calculated on the basis of net base salary plus PA, at the duty station from which the staff member separated. The number of days that might be commuted into a lump sum should remain unchanged; (e) the terms and conditions for payment of the death grant should remain unchanged; (f) separate schedules of entitlements should continue to be used for calculation of the termination indemnity, the repatriation grant and the death grant; (g) **all separation payments other than the commutation of unused annual leave should be calculated using the base/floor amount for the remuneration system. The existing scale of separation payments should consequently be abolished.** In order to avoid financial implications, however, this measure should not be implemented until the scale of separation payments had reached the level of or exceeded, the base/floor scale. The scale of separation payments should continue to be used during the intervening period for all separation payments other than commuted annual leave *[A/44/30, vol. II, para. 453]*.

By **resolution 44/198**, the GA approved the ICSC recommendations on separation payments, with the exception of the proposed change in the repatriation grant *(see also section 4.71)*. The changes were approved with effect from 1 July 1990.

1990 **32nd session (August)**: In the context of the implementation of the comprehensive review, CCAQ noted that some staff members who were at the top of their grade at 30 June 1990 and who had been granted the additional steps on the 1 July 1990 scale would be separating from service before the end of 1990 *(for details of the additional step, see section 2.1.60)*. CCAQ concluded that those staff members should be paid separation payments on the basis of the top step of the existing separation payments scale which, in all cases, was higher than the additional step of the 1 July 1990 scale. That issue would be resolved once the ICSC recommendation with regard to an increase in the base/floor salary scale was approved. ICSC recognized the need to address issues arising from the implementation of decisions on the comprehensive review and decided to corroborate the CCAQ conclusion *[ICSC/32/R.24, paras. 79-82]*.

2007 **64th Session (March):** In documents *ICSC/64/R.3 and Add.1*, , the topic of separation payments was discussed under the broader “benefits” portion of the pay and benefits review being conducted by ICSC. Although not originally requested by the General Assembly, the Commission had made the decision to include the issue of separation benefits so as to ensure comprehensive consideration of the pay and benefits package. The documents provided an overview of provisions and practices relating to termination indemnity, repatriation grant, death grant and commutation of unused annual leave. The Commission was requested to assess whether modernization, simplification or harmonization of separation entitlements would be advisable and whether a revision of those entitlements was necessary in order to fit them into a new pay and benefits package once it was finalized. The following issues for review were identified: (a)variations in termination indemnity schedules across the organizations and contractual types of staff; (b) possible introduction of an end-of-service grant for fixed-term staff with long service;(c) cross-organizational variations with respect to eligibility to repatriation grant of staff

living in their home country while working abroad, as well as of staff with a permanent residence status in the country of the last duty station; (d) cross-organizational variations with respect to eligibility to death grant of surviving secondary dependants of a deceased staff member; and (e) measures aimed at simplifying the administration and monitoring of separation payments, including the maintenance of a centralized database to capture service credits on inter-agency transfer and movement.

The Commission decided to revert to the issue of separation payments at a later session following the receipt from its secretariat of the cost comparison of separation payments between the common system and the United States federal civil service and additional information and analysis relating to separations from common system organizations.

2009 **69th session (June/July):** ICSC concluded its review of separation payments, i.e., termination indemnity, repatriation grant and death grant; documents ICSC/69/R.4 and ICSC/69/CRP.5 were prepared for this purpose. The following issues were identified for the Commission's consideration with a view to streamlining the separation payment scheme in the common system:

(a) Variations in termination indemnity schedules across organizations and contract types;

(b) The possible introduction of an end-of-service grant stemming, in particular, from the inequality in treatment of staff on fixed-term contracts at the time of separation due to the expiration of their contracts;

(c) Cross-organizational variations with respect to eligibility for repatriation grant;

(d) Concerns about the inconsistency of the name "repatriation grant" with the scope of the grant;

(e) Cross-organizational variations with respect to the eligibility for death grant of surviving secondary dependants of a deceased staff member.

The following revisions to the present separation payment arrangements were considered by the Commission:

(a) Termination indemnity schedules should be harmonized across organizations with the schedule stipulated in the United Nations Staff Rules;

(b) Termination indemnity rates should be based on the unexpired portion of the service term;

(c) An end-of-service grant should be introduced for fixed-term contracts, to be provided upon the separation of the staff concerned due to the expiration of contracts after an agreed number of years of completed service with satisfactory performance;

(d) The name of the repatriation grant should be retained, although it might be perceived to be too restrictive given the scope of the grant, which is payable on relocation to any country other than that of the last duty station where the staff member establishes primary residence after separation;

(e) Repatriation grant provisions should be harmonized across organizations, by limiting eligibility to staff both living and working outside their home country and to staff without permanent residence status in the country of the last duty station;

(f) Death grant provisions should be harmonized across organizations by recognizing for eligibility only the surviving spouse and dependent children of a deceased staff member.

The Commission decided to recommend that the General Assembly:

(a) Invite the governing bodies of the common system organizations to harmonize their termination indemnity schedules in line with that of the United Nations, as approved in Assembly resolution 63/271, and as shown in annex II of the Commission's annual report [A/64/30] ;

(b) Introduce end-of-service severance pay for fixed-term staff separating from the organization upon the expiration of contract after 10 or more years of continuous service in those organizations which have introduced and implemented the new contractual framework, as defined by ICSC in its 2005 annual report [A/60/30, Annex IV], subject to the conditions and schedule provided in A/64/30, annex III;

c) Reaffirm that the repatriation grant should not be payable to staff living in their home country and working abroad or to staff with permanent resident status at the last duty station and reiterate its call to the governing bodies of the common system organizations to align their provisions regarding repatriation grant eligibility with those applicable in the United Nations;

d) Reiterate that the death grant should not be payable to secondary dependants, and reiterate its call to the governing bodies of the common system organizations to align their provisions regarding death grant eligibility with those applicable in the United Nations. The

Commission also decided to monitor the introduction of end-of-service severance pay as an integral part of the new contractual arrangements.

In **resolution 64/231**, the General Assembly took note of ICSC recommendation to introduce end-of-service severance pay, but decided to revert to the matter at its sixty-fifth session. The General assembly also took note of ICSC recommendation to harmonize termination indemnities and requested ICSC to report on the matter at its sixty-fifth session; it reaffirmed that the repatriation grant should not be payable to staff living in their home country and working abroad or to staff with permanent resident status at the last duty station; it reiterated its call for an alignment of practices and reiterated that the death grant should not be payable to secondary dependants.

2010 **71st session (July/August):** The Commission had before it document ICSC/71/R.6, Separation Payments: termination indemnity. The item was reviewed in response to a request by the General Assembly contained in its resolution 64/231 (sec. B. 1, para. 3). A review of staff separations was conducted, with a view to assisting the Assembly in assessing the situation and to addressing concerns that some delegations had expressed about cases of possible abuse of the system.

The review was based on data collected by the ICSC secretariat from common system organizations which covered the three-year period from 2007-2009. Thirteen organizations employing 70,000 staff provided data.

The Commission decided to report to the General Assembly that:

(a) It had reviewed about 1,200 cases of termination indemnity paid by common system organizations during the three-year period 2007-2009;

(b) The termination indemnity was used on a limited basis and covered approximately 1 per cent of the total General Service and Professional staff and about 14 per cent of all separations;

(c) While some fluctuations in termination indemnity numbers did exist among the organizations and contract types, the analysis of the available data did not demonstrate that there was inappropriate application of the scheme and the overall termination indemnity-based separation trends appeared to be driven by the operational needs of the organizations.

In **resolution 65/248**, the General Assembly endorsed the conclusions of the Commission in its report [A/65/30, para. 101], and invites the governing bodies of the organizations of the United Nations common system to harmonize their termination indemnity schedules with that of the United Nations, as approved in General Assembly resolution 63/271 of 7 April 2009. It also decided to revert, at its seventy-first session, to the issue of the introduction of end-of-service severance pay in the organizations of the United Nations common system for fixed-term staff involuntarily separating upon the expiration of their contract after ten or more years of continuous service; and requested the Commission to promulgate guidelines for the Organization to follow when it terminates a staff member based on the agreement of both sides.

2015 2013-2015: As part of **the comprehensive review** of the compensation package for staff in the Professional and higher categories, conducted by the Commission between its 76th to 81st sessions (March 2013 to July 2015), the Commission recommended to the General Assembly that one net salary scale be introduced for all staff in the Professional and higher categories without regard to family status. By resolution 70/244 the General Assembly subsequently agreed this recommendation.

The introduction of one net salary scale for all staff in the Professional and higher categories would also have implications for other elements of the compensation package currently linked to the salary scale directly. Separation payments, which include the termination indemnity, death grant and repatriation grant, all have payment schedules based on the current salary scale. As such, changes to the salary scale would logically affect the amounts payable under those schemes.

2016 83rd session (July): In response to the General Assembly resolution 65/248, the Commission reviewed document (ICSC/83/R.3) prepared by the secretariat on prevailing practices by national, regional and international organizations with respect to separation payments, as well as trends in staff separation in the common system (ICSC/83/CRP.3/Rev.1). The Commission was of the view that providing severance pay, in lieu of an unemployment benefit, to long-serving staff separating from the organization at the expiration of their fixed-term contracts seemed reasonable (A/71/30, para 56). Thus, it was decided that end-of-service severance pay should be provided in the case of non-extension, that is, upon expiry of a fixed-term contract, while termination indemnity was offered upon termination, that is, the foreshortening of a fixed-term or continuing contract by any common system organization. In this regard, the Commission reconfirmed its earlier conclusion that it would not be appropriate to set severance pay at the same level as the termination indemnity remained valid because the former situation did not have an implication of unforeseeable loss to staff, while the latter carried the element of compensating for the loss of continued employment (A/71/30, para 59).

The 2006 – 2007 system-wide data had shown that a large percentage of non-renewals occurred within the first five years of service, while this percentage dropped sharply as the service period increased. It had also been acknowledged that the length of service of staff on both contract types, fixed-term and continuing, converged at around nine to ten years at the time of separation, either due to non-renewals or agreed termination. This had led to the Commission's recommendation of introducing end-of-service severance pay after ten years of continuous service in order to treat staff in both contract types similarly. An analysis similar to the one described above was conducted using the 2013 – 2015 data. Tabulating the number of separations of fixed-term staff due to contract expiry with respect to the

length of service, it was found that about 80 per cent of non-renewals occurred in less than five years of service, with this percentage dropping off sharply thereafter (ICSC/83/CRP.3/Rev.1, paras 12-13).

Also in response to General Assembly resolution 65/248, the secretariat prepared the guidelines for agreed termination of appointment by soliciting the existing administrative instructions used by common system organizations in the case of agreed termination and comparing their practices in detail. The individual items specified in the guidelines included definition, eligibility, provision for job search, notice period, application process, level of indemnity enhancement, separation deferral for retirement purposes, and re-employment restriction, as well as other performance-related criteria.

The Commission noted that the proposed guidelines were intended as a general framework and that organizations should be given flexibility in applying them. It was stressed that, to be effective, any proposed agreed terminated arrangements should enjoy the full support of the organizations (A/71/30, para 64). It was also observed that the existing agreed termination arrangements of individual organizations appeared to have performed satisfactorily over the years. The Commission therefore concluded that if commonly agreed termination guidelines were to be introduced, this would require further study of and coordination with the organizations that took into account all the possible contingencies and concerns (ibid, para 65).

The Commission decided to recommend to the General Assembly: (a) to submit its earlier recommendation to the Assembly that end-of-service severance pay be introduced for fixed-term staff separating from the organization upon the expiration of contract after 10 or more years of continuous service (A/64/30, para. 59 (b) and annex III); (b) to revert to the guidelines for agreed termination at a later session; (c) to use updated separation statistics in calculating non-salary related financial implications of base/floor salary scale consolidations.

In its resolution 71/264, the General Assembly: (a) recalled the recommendation of the Commission on the establishment of the end-of-service severance pay for staff serving under a fixed-term contract and separating from Organization upon the expiration of that contract after 10 or more years of continuous services; (b) regretted that no decision was taken on the issue of end-of-service severance pay for fixed-term staff during the sixty-fourth and sixty-fifth sessions of the General Assembly; (c) recognized that a decision must be taken, and requested the Commission to undertake a comprehensive analysis, in consultation with relevant stakeholders, of the effect of the adoption of the above-mentioned recommendation, including the updated financial implications and the distinctions between temporary, fixed-term and continuing contracts, and to report thereon to the General Assembly at its seventy-third session in order for a decision to be taken on the recommendation and, as appropriate, the implementation date.

2018 **87thsession (July):** In response to General Assembly resolution 71/264, the Commission reviewed the comprehensive analysis provided in document ICSC/87/R.3 that set out the distinctions between the three contractual arrangements for staff employment in the common system, current jurisprudence on the renewal of fixed-term appointments, and the prevailing practices of other regional and international organizations as well as the practice of the comparator civil service. For purposes of updating the financial implications, the Commission also reviewed statistics on staff separations during the period from 2015 to 2017, based on data provided by 21 organizations of the common system (ICSC/87/CRP.3).

The Commission reiterated its view that the end-of-service payment should not be construed as giving any legal expectation of the renewal of a fixed-term appointment. It was noted that recommending the grant would represent a best practice in support of organization’s duty-of-care initiative. In respect to practices of the comparator, it was observed that severance pay was not provided to fixed-term

appointments, however unemployment benefits were granted after one year of continuous service in the United States civil service. An end of service grant was provided after five years of term appointments in the World Bank and after six years for open-ended and fixed-term appointments in the Organization for Economic Cooperation and Development (A/73/30, para 56). It was recalled that the World Health Organization (WHO) had introduced an end-of-service grant in 1977 following the Commission's initial proposal to the General Assembly and in anticipation of approval of a grant for the common system. It was noted that WHO provided a payment to staff after five years of completed service, in an amount based on a progressive schedule. The Commission reviewed world and regional unemployment rates and trends, and in view of the high rates of unemployment in both developed and developing countries, the Commission considered that securing new employment might be more difficult for some staff, depending on their age.

The Commission noted that staff statistics showed that twice as many staff were employed on fixed-term appointments than on continuing appointments, and approximately 3% of all staff with fixed-term appointments separated due to the expiration of their appointment. The Commission noted a need to ensure fair conditions of employment and supported reducing the proposed eligibility criteria to a minimum of five years of continuous service. Regarding the payment amount, the Commission noted that severance pay in the United States federal civil service, the World Bank Group and the Organization for Economic Cooperation and Development all accounted for years of service (A/73/30, para 62). It recommended a progressive pay scale similar to the termination indemnity schedule whereby the amount payable increases with every additional year of service rendering it an earned benefit.

Having reviewed its previous proposal and recommendations, and in view of the Assembly's request for a comprehensive analysis, the Commission noted:

(a) The contractual framework (A/60/30 and A/60/30/Corr.1, annex IV) approved by the Commission in 2005 set out the distinctions between temporary, fixed-term and continuing appointments;

(b) Equity in payment between continuing and fixed-term appointments existed in the form of salary and several allowances, pension benefits and social security provisions;

(c) Other international organizations provided unemployment benefits to their employees upon expiration of their fixed-term appointments;

(d) Former civilian federal employees in the comparator civil service were eligible for unemployment benefits following the expiration of their term-limited appointments;

(e) Leaving the organization after a long period of service, irrespective of whether an appointment was terminated or not renewed, placed staff in essentially the same situation in terms of their prospects for finding new employment;

(f) Once unemployed, on average it took older workers longer to return to work than younger workers;

(g) An end-of-service grant would ensure that all staff received some form of unemployment benefit; and

(h) Any end-of-service grant provided would be paid as a best practice in support of organizations' duty-of-care initiatives, and not a legal requirement.

The Commission recommended to the General Assembly the introduction of an end-of-service grant to assist staff separating from the organization, subject to the following provisions:

(a) That the end-of-service grant be paid to staff members who separate from the organization at the expiration of their fixed-term appointment, after five or more years of continuous service; and

(b) That the end-of-service grant be paid as a lump-sum in accordance with the eligibility criteria and the pay schedule as set out in Annex IV of A/73/30.

The General Assembly did not take action on this proposal.

SECTION 4.71
REPATRIATION GRANT

1976 **3rd session (March)**: ICSC decided that the amount of the repatriation grant called for no change. However, it noted that the present scale differentiated between staff with dependants and those without dependants, for whom the amount of the grant was half as many weeks' pay for each number of years of service as for those with dependants. Given the fact that, as a result of ICSC's recommendation on staff assessment the rates of salary would be differentiated as between staff with and those without dependants, a double regression would result if the existing scale were maintained. ICSC therefore recommended that it be replaced by a revised scale, designed to maintain as nearly as possible the existing ratio between amounts of the grant for the two categories. It recommended scales of amounts of the repatriation grant for staff members of the P and higher categories with and without dependants, with effect from 1 January 1977. The existing scales would continue to apply to staff of the GS category, pending further study by ICSC of the remuneration of that category *[A/31/30, paras. 269 and 270]*.

By **resolution 31/141 B**, the GA decided that terminal payments (termination indemnities, repatriation grants, payment in lieu of accrued annual leave, death grants) which were defined in terms of "base salary or wage" should henceforth be defined in terms of "pensionable remuneration less staff assessment". The GA also decided to amend the scales of amounts of the repatriation grant for staff members of the P and higher categories with and without dependants, including scales for the GS category, as follows:

Staff member with neither a spouse nor a dependent child at time of separation			
Years of continuous service away from the home country	Staff member with a spouse or dependent child at time of separation	Professional and higher categories	General Service category
	(Weeks of pensionable remuneration less staff assessment, where applicable)		
1	4	3	2
2	8	5	4
3	10	6	5
4	12	7	6
5	14	8	7
6	16	9	8
7	18	10	9
8	20	11	10
9	22	13	11

10	24	14	12
11	26	15	13
12 or more	28	16	14

1978 **8th session (July 1978)**: ICSC reconsidered the repatriation grant in regard to: (a) the justification for the progressive scale of amounts of the grant; (b) the appropriateness of paying the grant to a staff member who, upon separation, does not return to his home country. It believed there would be logic in standardizing the repatriation grant as a flat amount as FICSA had proposed or as the equivalent of a number of days' daily subsistence allowance at the rate applicable to the place to which the former staff member moved (so as to reflect difference in cost of living); at the same time, it doubted the wisdom of eliminating from the salary system any trace of a separation benefit reflecting length of service. ICSC therefore was of the opinion that the present pattern should be maintained until such time as it was ready to propose such fundamental reforms *[A/33/30, paras. 181 and 182]*.

Having regard to remarks made in the discussion in the Fifth Committee at the 31st session of the GA (1976), ICSC considered whether it was appropriate that a repatriation grant be paid to a staff member who did not, in fact, return to his or her home country upon separation from the organization. Strictly speaking, to say that the staff member should receive the grant irrespective of where he/she went on separation, would be to change the nature of the entitlement to a kind of deferred expatriation allowance, so raising the question of possible duplication of the margin. ICSC acknowledged, however, that making payment of the grant contingent upon evidence of relocation to the home country would penalize those staff who had acquired family or other ties with a country other than that for which they were originally recruited, those who were obliged to go to a third country in order to find work and those who, for political or other reasons, were unable to return to the home country. It considered, however, that the grant should not be paid to a staff member who, on separation, remained permanently in the country of the last duty station and so incurred none of the expenses of dislocation and relocation which the grant was intended to meet. It recommended that payment of the repatriation grant should be made conditional upon signature by the staff member of a declaration that he/she did not intend to remain permanently in the country of the last duty station. That requirement should come into effect from 1 January 1979 for new staff members. If the organizations considered that some period of grace should be allowed to serving staff members who may already have planned the place where they would reside after their separation on the assumption that they would receive the grant, CCAQ should agree on a common transitional measure *[A/33/30, para. 186]*.

By **resolution 33/119**, the GA decided that payment of the repatriation grant to entitled staff members should be made conditional upon the presentation by the staff member of evidence of actual relocation, subject to terms to be established by ICSC.

1979 **9th session (February/March)**: ICSC sought an opinion from the Office of Legal Affairs of the UN Secretariat, which indicated that, in so far as the UN itself was concerned, there was no express or implied provision that only those who actually made use of the travel entitlement should receive the grant. On the basis of the advice received, ICSC decided that the requirement of relocation should apply only to that part of a staff member's entitlement which was earned after the date on which the rule was changed *[A/34/30, para. 24]*. Accordingly, it adopted the following text which was promulgated on 6 April 1979 under the symbol CIRC/GEN/39:

"The following modifications to the terms of entitlement to the repatriation grant are established by the International Civil Service Commission in pursuance of paragraph 4 of section IV of GA resolution 33/119: (a) with effect from 1 July 1979 payment of the repatriation grant shall be subject to the

provision by the former staff member of evidence of relocation away from the country of the last duty station; (b) evidence of relocation shall be constituted by documentary evidence that the former staff member has established residence in a country other than that of the last duty station, such as a declaration by the immigration, police, tax or other authorities of the country, by the senior UN official in the country or by the former staff member's new employer; (c) payment of the grant may be claimed by the former staff member within two years of the effective date of separation; (d) notwithstanding paragraph (a) above, staff members already in service before 1 July 1979 should retain the entitlement to repatriation grant proportionate to the years and months of service qualifying for the grant which they already had accrued at that date without the necessity of production of evidence of relocation; the exercise of any additional entitlement accrued after that date shall, however, be subject to the conditions set out in paragraphs (a) to (c) above" *[A/34/30, paras. 24 and 25]*.

By **resolution 34/165**, the GA decided that with effect from 1 January 1980, no staff member should be entitled to any part of the repatriation grant unless evidence of relocation away from the country of the last duty station was provided. This decision was challenged before the Administrative Tribunal of the UN (Mortished vs the SG). The Tribunal found in favour of the complainant. The GA requested an advisory opinion of the International Court of Justice, which upheld the decision of the Tribunal *(AT/DEC/273 dated 15 May 1981) [CCAQ Handbook, section 5.2, para. 22]*.

1989 As part of the comprehensive review of conditions of service of the P and higher categories *(section 2.1.90)*, ICSC reviewed the rationale for, and the modalities of, the repatriation grant. It (a) agreed to maintain the existing system whereby payment of the grant was contingent on evidence of relocation only outside the country of the duty station; (b) concluded that a single, world-wide scale should continue to be used for computing the level of the grant and that no adjustment should be made for currency fluctuations. With regard to single/dependency rate relativities, ICSC concluded that the differentiation between single and dependency rates at most points in the current schedule was excessive in light of the differences in repatriation expenditures. It concluded that the single rate should be set at a uniform 75 per cent of the current entitlements at the dependency rate. It recommended to the GA a revised schedule of repatriation grant entitlements, calculated on that basis. The terms and conditions for payment of the repatriation grant should remain unchanged in all other respects *[A/44/30, vol. II, paras. 437-438 and 453]*.

The GA, in **resolution 44/198,** confirmed that the terms and conditions of payment of the repatriation grant should remain unchanged in all respects. It also requested ICSC to collect the necessary information on the practices of common system organizations regarding the granting of expatriate entitlements to staff living in their home countries while stationed at duty stations in another country, in order to assess the feasibility of harmonizing practices among organizations, and to report thereon to the 45th session.

The GA, in **resolution 48/224**, noted the Commission's conclusions and requested ICSC to study the matter further, with a view to harmonizing the practices of other organizations with those of the UN and to make recommendations thereon to the GA at its 51st session (1996).

In Judgement No. 656 (Kremer and Gourdon), the UN Administrative Tribunal revised the opinion it had taken on an earlier case (Rigoulet: 1987) that the UN had correctly applied the provisions of its Staff Rules in denying payment of repatriation grant on separation from service to staff members of French nationality living in France who had been working in Geneva. In the 1994 Judgement, the Tribunal found that the United Nations policy (also followed by GATT) which differed from that of the specialized agencies headquartered in Geneva amounted to discrimination, thereby violating a fundamental principle of equity. It therefore ordered the payment of the repatriation grant to both Applicants.

1995 By **resolution 49/241**, the GA (a) noted UNAT Judgement No. 656; (b) reiterated its decision that the repatriation grant and other expatriate benefits be limited to staff who both work and reside in a country other than their home country; (c) ammended the relevant provisions of the UN Staff Regulations explicitly to reflect that decision; (d) decided to reexamine the issue of entitlement to repatriation and other expatriate benefits of staff living in their home country while stationed at duty stations in another country in the light of the report by ICSC that it had requested in resolution 48/224 (1993).

(Further details on ICSC consideration of the general issue of expatriate entitlements for staff members living in their home country while stationed at locations in another country may be found in section 3.10).

2015 2013 – 2015: As part of **the comprehensive review** of the compensation package for staff in the Professional and higher categories, conducted by the Commission between its 76th to 81st sessions (March 2013 to July 2015), the Commission considered the question of whether to pay the repatriation grant after only a short period of service within the common system. It was noted that the grant was established as an earned service benefit in 1951 in recognition of service outside of the home country and was aimed at assisting expatriate staff members and their primary dependants in re-establishing themselves following a geographical move upon separation from service.

The Commission was of the opinion that although repatriation after prolonged expatriate service could result in certain difficulties and challenges on resettlement, it was not necessarily the case after only a few years spent abroad. In that context, it was proposed that a threshold of five years be established for the length of expatriate service triggering eligibility for the repatriation grant**. (A/70/30, para 375)**

By **resolution 70/244** the General Assembly **confirmed** the rationale of the repatriation grant as an earned service benefit payable to expatriate staff members who leave the country of the last duty station upon separation. It also decided that a threshold of five years of expatriate service should be established as an eligibility requirement for the repatriation grant, as recommended in paragraph 375 of the report of the Commission. In addition it was decided that, on transition to the new scheme, current staff members should retain their eligibility within the current grant schedule up to the number of years of expatriate service accrued at the time of the implementation of the revised scheme.
(A/RES/70/244/Section III, paras 38-40)

SECTION 4.72
TERMINATION INDEMNITY AND END-OF-SERVICE GRANT

1976 **3rd and 4th sessions (March and August):** In the framework of its review of the salary system, ICSC recommended revised conditions and rates of the **termination indemnity** and recommended the introduction of an **end-of-service grant**.

Termination indemnity: Most members felt that an indemnity of 18 months' salary was excessive in light of national practice and preferred a maximum of 12 months. While termination for reasons of health should clearly be indemnified, it was nevertheless questioned whether any indemnity was warranted when termination was motivated by misconduct or by unsatisfactory service. It was also pointed out that a staff member whose services had proved satisfactory over many years might no longer be able to give satisfaction through no fault of his own. The consensus of ICSC was that the indemnity in such cases should not exceed half of the full amount and that discretion should be left to the executive head, in the light of the circumstances of each case, to award a lesser indemnity or none at all *[A/31/30, para. 305]*.

As regards the proposal that the amount of the termination indemnity should be reduced or tapered off in the case of staff members terminated at or over the age of 55, members were of the view that strong arguments could be advanced in favour of paying older staff the full amount of indemnification which would normally be payable even if they were already eligible for an early retirement benefit, on the grounds that such staff would face even greater difficulty in finding equivalent alternative employment than would younger colleagues. Moreover, the number of staff likely to be terminated over the age of 55 was not sufficient to warrant a special provision. ICSC therefore decided to recommend no change in the existing provisions in this respect *[A/31/30, para. 306]*.

ICSC further agreed that the indemnities due to staff members serving on fixed-term appointments, in case of termination before the normal expiry date of their contract, should, after a number of years' service, not be inferior to those due to permanent staff in similar circumstances; and it considered that nine years' service would be an appropriate duration for this purpose. Given the parameters: (a) that the maximum indemnity should be increased from nine months' salary after nine years' service to 12 months' salary after 15 years' service; (b) that the revised indemnity should in no case be less than the existing one; (c) that the indemnity for fixed-term staff should continue to be based on the unexpired duration of the contract, but should be subject to a minimum which would bring it to equality with that for permanent staff after nine years' service; ICSC recommended that the scales of indemnity for termination of permanent and fixed-term staff on grounds of abolition of post or reduction of staff should be revised with effect from 1 January 1977 as set out in para. 309 of the annual report *(A/31/30)*.

Indemnities for termination before normal expiry of contract for reasons other than abolition of post or reduction of staff should be the standard amounts, subject to the following conditions: (a) *Termination owing to incapacity for further service for reasons of health*: standard indemnity, except that the amount of the indemnity should be reduced by the amount of any disability benefit the staff member received for the months to which the indemnity corresponded; (b) *Termination owing to unsatisfactory service or misconduct*: a staff member whose appointment was terminated for one of these reasons may receive, at the discretion of the executive head, an indemnity not exceeding one half of the standard amount to which he would have been entitled if terminated for reason of abolition of post or reduction of staff; (c) *Termination in the interests of good administration* (i.e., "agreed termination"): standard indemnity, except that the executive head may, at his discretion, if he considers it justified in

the particular circumstances of such termination, increase the amount of the indemnity by up to 50 per cent *[A/31/30, paras. 307-309]*.

The GA decided by **resolution 31/141 B** to amend the conditions and rates of the termination indemnity as follows:

"Staff members whose appointments are terminated shall be paid an indemnity in accordance with the following provisions: "(a) except as provided in paragraphs (b), (c) and (e) below and in regulation 9.3(b) (of the UN Staff Regulations), the termination indemnity shall be paid in accordance with the following schedule:

Completed yearsof service	**Months of pensionable remuneration less staff assessmentwhere applicable**		
	Permanentappointments	**Temporaryappointments whichare not for a fixedterm**	**Temporary appointmentfor a fixed term exceedingsix months**
Less than 1	Not applicable	Nil	One week for each
1	Not applicable	1	month
2	3	1	ofuncompleted
3	3	2	service subjectto a
4	4	3	minimum of six
5	5	4	weeksindemnity pay
6	6	5	3
7	7	6	5
8	8	7	7
9	9	9	9
10	9.5	9.5	9.5
11	10	10	10
12	10.5	10.5	10.5
13	11	11	11
14	11.5	11.5	11.5
15 or more	12	12	12

"(b) a staff member whose appointment is terminated for reasons of health shall receive an indemnity equal to the indemnity provided under paragraph (a) of this annex reduced by the amount of any disability benefit that the staff member may receive under the United Nations Joint Staff Pension Fund regulations for the number of months to which the indemnity rate corresponds."

"(c) a staff member whose appointment is terminated for unsatisfactory services or who for disciplinary reasons is dismissed for misconduct other than by summary dismissal may be paid, at the discretion of the Secretary-General, an indemnity not exceeding one half of the indemnity provided under paragraph (a) of this annex.

"(d) no indemnity payments shall be made to:

"A staff member who resigns, except where termination notice has been given and the termination date agreed upon;

"A staff member who has a temporary appointment which is not for a fixed-term

and which is terminated during the first year of service; "A staff member who has a temporary appointment for a fixed-term which is completed on the expiration date specified in the letter of appointment;

"A staff member who is summarily dismissed;

"A staff member who abandons his post;

"A staff member who is retired under the United Nations Joint Staff Pension Fund regulations.

(e) staff members specifically engaged for conference and other short-term service or for service with a mission, as consultants or as experts, and staff members who are locally recruited for service in established offices away from Headquarters may be paid termination indemnity if and as provided in their letters of appointment."

End-of-service-grant: In so far as organizations increasingly employed staff over extended periods on a succession of fixed-term appointments, this was owing to the restrictions placed by governing organs on the granting of permanent contracts. In their interest of continuity, organizations had no alternative but to retain many such staff on a fixed-term basis. ICSC recognized that, when a staff member had been retained for a number of years in that way, he acquired some moral expectancy that his services would continue to be retained. If his services were terminated before the normal expiry of his contract, he received an indemnity; but if his contract were merely allowed to expire and not be renewed, he received none. ICSC therefore recommended the introduction of a new grant (distinct from the termination indemnity), to be known as "end-of-service grant" for a staff member holding a fixed-term appointment whose appointment is not renewed after he has completed six years' continuous service should, provided that he has not received and declined an offer of renewal, be entitled to a grant based on his years of completed service, in the following amount:

Years of completed service	**Months of pensionable remuneration less staff assessment**
6	3
7	5
8	7
9	9
10	9.5
11	10
12	10.5
13	11
14	11.5
15 and above	12

[A/31/30, paras. 311-314]

The GA at its 31st session did not adopt the recommended end-of-service grant and requested ICSC by **resolution 31/141 B** to re-examine, in the light of the views expressed in the Fifth Committee at that session: the possible introduction of an "end-of-service" grant with particular attention to the conditions in which such payment might be justified.

1977 **6th session (August/September 1977):** FICSA submitted to ICSC a recommendation that it resubmit to the GA at the 32nd session the proposal for introduction of an end-of-service grant payable to staff of either category serving on a fixed-term appointment whose appointment was not renewed after a certain number of years of service. ICSC maintained that the reasons of equity which had led the majority of its members to making the recommendation for an end-of-service grant in 1976 remained valid. However, it noted that the GA had clearly wished it to re-examine the proposal in the context of all other entitlements on cessation of service, which study could not be made before 1978. ICSC therefore was obliged to conclude that it should not resubmit the matter to the GA at the 32nd session but confirmed its intention to re-examine it in 1978 *[A/32/30, paras. 206 and 208]*.

1978 **7th session (February/March 1978)**: The conditions and amounts of the **termination indemnity** having been approved by the GA on ICSC's recommendation in 1976 (see above), ICSC found no cause to recommend any further change in them in 1978, except to rectify one minor omission in the scale as then recommended and approved, in order to avoid the possibility that a staff member holding a fixed-term appointment and with less than six years' service who was terminated while more than a year of his fixed-term contract remained should receive a larger indemnity than a staff member having more than five years' service (who would receive three months' indemnity whatever the unexpired length of his contract), a maximum should be set to the indemnity payable in case of termination during the first six years of service, the text in question then reading: "one week per unexpired month of contract, subject to a minimum of 30 working days, i.e. one and a half months, and a maximum of three months" *[A/33/30, paras. 163 and 164]*.

ICSC reconsidered the introduction of the **end-of-service grant** as requested by the GA in resolution 31/141 B. ICSC renewed the recommendation it had made to the GA at the 31st session with, however, the following provisions: (a) the measure should be reviewed when ICSC had reported to the GA on the respective roles of permanent and fixed-term employment, which it would do no later than at the 35th session of the GA; (b) the number of years of service required before a staff member became eligible for the grant should be nine, rather than six as previously proposed, this threshold ensuring that it would be payable only to staff members who had clearly passed the limit of what could properly be regarded as fixed-term employment. The nine-year point was also that at which equality was reached in the amounts of termination indemnities between permanent and fixed-term staff; (c) in no case would the number of months of the grant paid to a staff member exceed the number of months of potential service remaining to him up to the normal age of retirement; (d) the grant should not be payable to a staff member who retained the right to reinstatement in his previous employment; (e) the grant should not be paid to a staff member who had resigned or who had declined an offer of renewal of appointment *[A/33/30, para. 172]*.

The ICSC's recommendation therefore was that the staff regulations of the UN and of the other participating organizations should be amended so as to introduce a new entitlement, to be known as "end-of-service grant" in the following terms:

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

Completed years of service	**Months of pensionable remuneration less staff assessment**

9	9
10	9.5
11	10
12	10.5
13	11
14	11.5
15 or more	12

except that the number of months of the grant payable shall not be greater than the number of months by which the staff member's age is below the statutory age of retirement" *[A/33/30, para. 174]*.

The GA did not adopt ICSC's recommendation and by **resolution 33/119** requested ICSC to give further study to the question of an end-of-service grant payable to staff members with fixed-term appointments in the context of its examination of the relationship between career staff and fixed-term staff in the common system, ensuring that such a grant did not become a form of pre-pension plan, and make recommendations to the GA not later than its 35th session.

1989 **29th session (March):** In the context of the comprehensive review ICSC reviewed the terms and conditions for payment of a **termination indemnity** and concluded that, since they did not appear to have given rise to particular problems, they should be left unchanged *[A/44/30, vol. II, para. 433]*.

ICSC took up the matter of **end-of-service grant** in the context of the comprehensive review. It decided, however, not to make a recommendation to the GA at this time on the understanding that it might revert to the issue at a later date *[A/44/30, vol. II, para. 448]*.

2010 **71st session (July/August):** The Commission had before it document ICSC/71/R.6, Separation Payments: termination indemnity. The item was reviewed in response to a request by the General Assembly contained in its resolution 64/231 (sec. B. 1, para. 3). A review of staff separations was conducted, with a view to assisting the Assembly in assessing the situation and to addressing concerns that some delegations had expressed about cases of possible abuse of the system.

The review was based on data collected by the ICSC secretariat from common system organizations which covered the three-year period from 2007-2009. Thirteen organizations employing 70,000 staff provided data.

The Commission decided to report to the General Assembly that:

(a) It had reviewed about 1,200 cases of termination indemnity paid by common system organizations during the three-year period 2007-2009;

(b) The termination indemnity was used on a limited basis and covered approximately 1 per cent of the total General Service and Professional staff and about 14 per cent of all separations;

(c) While some fluctuations in termination indemnity numbers did exist among the organizations and contract types, the analysis of the available data did not demonstrate that there was inappropriate

application of the scheme and the overall termination indemnity-based separation trends appeared to be driven by the operational needs of the organizations.

In **resolution 65/248**, the General Assembly endorsed the conclusions of the Commission in its report [A/65/30, para. 101], and invites the governing bodies of the organizations of the United Nations common system to harmonize their termination indemnity schedules with that of the United Nations, as approved in General Assembly resolution 63/271 of 7 April 2009. It also decided to revert, at its seventy-first session, to the issue of the introduction of end-of-service severance pay in the organizations of the United Nations common system for fixed-term staff involuntarily separating upon the expiration of their contract after ten or more years of continuous service; and requested the Commission to promulgate guidelines for the Organization to follow when it terminates a staff member based on the agreement of both sides.

SECTION 4.73
DEATH GRANT

1976 By its **resolution 31/141**, the GA requested ICSC to propose measures for aligning the amount of the grant on the revised scale of termination indemnities approved by the same resolution.

1977 **5th and 6th sessions (February/March and August/September):** ICSC noted that the terms of the grant were not uniform in all organizations; moreover, it was not convinced of the rationale of aligning the amount of the grant on that of the termination indemnity; it therefore intended to examine the question further in the context of its study of other end-of-service entitlements *[A/32/30, para. 19]*.

1978 **7th session (February/March):** The representatives of the executive heads proposed a common scale to be adopted by all organizations which would not differentiate in the amount of the grant on the basis of the type of appointment held by the deceased staff member. The grant would be payable if there was a surviving spouse, dependent child or recognized secondary dependant. ICSC noted that the arrangements proposed were more generous than those presently in force in the UN and in five other organizations which followed the same practice, in that the minimum of the grant would be increased from one month's salary to three months' and that secondary dependants would become eligible. On the other hand, the maximum would be increased for the remaining organizations, which at present have a minimum of three and a maximum of six months. ICSC was prepared to accept that, in order to avoid any problem of acquired rights or transitional measures in respect of this particular entitlement, the uniform solution should not be less favourable than either of the two existing provisions *[A/33/30, paras. 189 and 190]*.

ICSC noted that the US Civil Service met its social liability to the survivors of employees who died in service by contributing one third of the cost of the premium of compulsory life insurance coverage. It was estimated that if the organizations were to follow the pattern of the US Civil Service and to bear one third of the cost of premiums for coverage of the equivalent of one year's salary, the annual cost would be of the order of $1,400,000 (compared with a cost of approximately $400,000 for the death grant in 1977, for all organizations and all sources of funds). ICSC concluded that self-insurance was in this case to be preferred to commercial insurance *[A/33/30, para. 192]*. ICSC, accordingly, recommended that the grant payable to the survivors (spouse, dependent children or recognized secondary dependant) of a staff member who dies in service when he held an appointment for at least one year or had completed at least one year's service be calculated as follows:

Completed years of service	**Months of pensionable remuneration less staff assessment**
0-3	3
4	4
5	5
6	6
7	7
8	8
9 or more	9

[A/33/30, paras. 193 and 194]

The GA approved the above scale by **resolution 33/119**, but excluded recognized secondary dependants from its eligibility.

1979 By its **resolution 34/165**, the GA requested ICSC to examine the possibility of installing a contributory system of death grant benefits.

1980 **12th session (July/August)**: ICSC noted that death grant benefits were payable to survivors of all staff members, regardless of their category and that benefits were related directly to salaries. Since the GS salaries expressed in terms of US dollars varied considerably from one duty station to another, a complex system of contributions would have to be developed worldwide. It therefore recognized the fact that the administrative costs involved in the collection of contributions from staff, regardless of what formula was used in the distribution of the over-all costs, would be disproportionately high even in relation to the disbursements reported in 1979. Considering the administrative difficulties and the related expenses the organizations would incur in the event of the installation of a contributory death grant benefit system, ICSC concluded that the changeover to a contributory system was not justifiable on the grounds of cost considerations *[A/35/30, paras. 331 and 332]*. ICSC, therefore, recommended to the GA that no change be made to the death grant benefit scheme *[A/35/30, para. 334]*.

The GA, in **resolution 35/314 A**, requested ICSC to keep under review the possibility of establishing a cost-effective contributory system of death grant benefits and to submit the results of the review to the GA at its 37th session.

1981 **18th session (July/August):** ICSC noted that, for the period 1980-1982, the average annual expenditure on death grants incurred by all organizations amounted to $897,188. As regards a contributory scheme of death grant benefits, ICSC considered the following three options: (a) continuation of the present non-contributory scheme; (b) a scheme under which organizations and staff would share all costs on a fifty-fifty basis; (c) arranging with a commercial insurance carrier to provide a similar benefit on the basis of sharing the costs of premia. Following an in-depth analysis of the three options, ICSC decided to recommend to the GA that the present non-contributory scheme should be continued in as much as it provided benefits in the most cost-effective manner *[A/37/30, paras. 108-110]*.

1982 The GA, in **resolution 35/214A**, requested ICSC to review the possibility of establishing a cost-effective contributory system of death grant benefits.

1983 **18th session (July/August):** ICSC decided to recommend to the GA that the present noncontributory scheme should be continued *[A/38/30, para. 108]*.

1985 The GA, in **resolution 39/69**, decided that, for staff in the P category, the scale in effect as of 1 January 1981 should continue to apply subject to the current adjustment procedure.

1989 **30th session (June/July):** Within the framework of the comprehensive review, ICSC undertook a review of a number of allowances, including the death grant. It noted that the death grant benefit arrangements appeared to be operating satisfactorily and should remain unchanged *[A/44/30, Vol. II, para. 443]*.

SECTION 4.80
MISSION SUBSISTENCE ALLOWANCE

1997 **46th session (July):** In GA resolution 51/218 on administrative and budgetary aspects of the financing of UN peacekeeping operations, the GA requested ICSC to develop, for submission to the GA at its 52nd session, a proposal to provide a post allowance and separate maintenance allowance for those personnel who leave their families at their home duty station while they are on mission assignment. In the light of the short period between the request made by the GA and the beginning of the 46th session of ICSC, only a preliminary study of the issue was carried out *[A/52/30, paras. 277-278]*.

ICSC noted that it was not possible to conduct a detailed study on this issue in such a short time and asked the secretariat to look into the matter further and to report thereon to ICSC at its 47th session *[A/52/30, para. 283]*. ICSC provided guidance to its secretariat with regard to the issues it would like to be addressed in the further study of the item, *inter alia*: (a) applicability of MSA to other organizations of the common system; (b) relationship between MSA and PA; (c) relationship between MSA and DSA; (d) applicability of MSA to GS staff *[A/52/30, para. 284]*.

ICSC decided to report to the GA that it had decided to defer the matter to its 47th (1998) session.

In **resolution 52/216** the GA noted the intention of the ICSC to address this matter in 1998, and requested it to submit a report on the question to the GA at its 53rd session.

1998 **47th session (April/May)**: The documentation before ICSC provided an overview of the establishment and application of MSA and the implementation and practices of the different common system organizations. The relationship between MSA, DSA and PA was also explored. The conditions offered by the comparator civil service were included as relevant to specific issues raised by the GA *[A/53/30, para. 249]*. ICSC decided (a) to note that MSA generally seemed to respond to the operational needs of the special missions; (b) to note that at many locations MSA was somewhat lower than DSA, and even though both were intended to compensate for the same elements of expenditure during temporary assignments away from the regular duty station of a staff member, some differences existed; (c) to request the organizations to improve the coordination of MSA practices and to request its secretariat to examine these practices periodically; (d) that the establishment of a post allowance or separate maintenance allowance was not warranted at this time; (e) to note the disparity of the remuneration arrangements in certain locations, and to request its secretariat, in consultation with the organizations, to determine a common approach to resolve this situation; (f) to request its secretariat to continue to solicit information from those organizations that had not provided it, and to ensure that it was taken into account in developing a common approach *[A/53/30, para. 260]*.

In its **resolution 53/209**, the GA took note of ICSC's decisions regarding various aspects of the system of MSA.

2002 **54th session (April/May):** ICSC considered a note prepared, at its request, by its secretariat *(ICSC/54/R.10)*. The document contained an overview of criteria and practice for setting the MSA in the United Nations. It also provided information on practices of some other common system organizations with respect to its staff assigned to non-family locations, including the special operations approach and the extended mission evacuation allowance.

ICSC decided to request its secretariat, in cooperation with the organizations concerned, to collect additional information and consider the possibility of harmonizing the approach on this issue, and to present the updated information on the practices of the organizations at a later session *(ICSC/54/R.12 para. 117.)*

2003 **<u>57th session (July 2003):</u>** ICSC had before it a note by the secretariat, which had been prepared at the request of ICSC. The document contained updated information on the practices of organizations using the special operations approach and the extended monthly evacuation allowance, as well as the views of the organizations on the feasibility of harmonizing their practices vis-à-vis staff assigned to non-family locations. The information collected showed that different arrangements were in place at different United Nations organizations with regard to remuneration packages and conditions of service of staff assigned to special missions and non -family duty stations. In this regard, the organizations were insistent on the need to maintain flexibility in the approach to this matter, in order to meet their diverse operational requirements *[A/58/30, para.144]*.

ICSC took note of the information presented and stressed the need for further harmonization of practices of organizations with respect to the allowances for staff serving in non -family duty stations, in order to avoid competition and promote mobility of staff. It requested the organizations to continue their efforts to develop arrangements that would be applicable to all organizations and to present ICSC with a comprehensive report at its fifty -ninth session. ICSC also requested its secretariat, in cooperation with the organizations, to consider and to report on the feasibility of linking MSA rates to the DSA rates established by ICSC [*A/58/30, para.154*]

The GA, in its resolution 58/251, took note of the decision of ICSC contained in paragraph 154 of its 2003 annual report.

2004 **<u>59th session (July):</u>** For consideration of this item, ICSC had before it document ICSC/59/R.15, which addressed the feasibility of linking MSA and DSA rates. ICSC also received a written reply from FAO on the arrangements covering staff at non-family duty stations.

ICSC requested the organizations, in consultation with its secretariat, to provide to it at its sixtieth session a comprehensive report on their practices relating to the entitlements of staff serving at non-family duty stations and on their efforts to harmonize those practices. This report should, inter alia, include detailed data on remuneration packages of staff at non-family locations in each organization, including itemized lists of all entitlements received, actual data on current levels of those entitlements, and information on how they were set and adjusted, and should be complemented by specific examples showing how the total remuneration package of staff was calculated. The report should also contain proposals on harmonizing those entitlements provided by different organizations with a view to developing system-wide arrangements in order to establish a single common entitlement, thereby avoiding competition among different common system organizations at the same locality *[ICSC/59/R.18, para. 175]*.

SECTION 4.90
PATERNITY LEAVE

2002 **54th Session (April/May):** At its fifty-fourth session, the ICSC addressed the issue of paternity leave. In document ICSC/54/R.11 the Commission was provided with general background information on the development of policies designed to reconcile work and family life responsibilities including information on the introduction of paternity leave provisions in a number of countries and organizations of the common system. The Commission's guidance was sought with regard to the possibility and modalities of introducing paternity leave as a system-wide entitlement. Following the observations made by the organizations and staff representatives the Commission viewed paternity leave as constituting an improvement in reconciling work and family life responsibilities and in promoting the fundamental right to create a family *(ICSC/54/R.12, paras. 118 and 126).*

The Commission agreed in principle that: (a) paternity leave could be introduced in the common system; (b) paternity leave should be provided under a uniform policy and be of reasonable duration, taking into account the needs of the organizations and the family; (c) once introduced, the uniform policy of granting paternity leave would supersede the existing paternity leave entitlements in those organizations which had already introduced them; those entitlements would be standardized on the basis of the new policy; (d) a framework for paternity leave should be developed which would also address specific situations, e.g., in cases of staff serving in remote non-family duty stations.

The Commission requested its secretariat, in consultation with the organizations, to prepare specific proposals on the outstanding items contained in paragraph 27 of document ICSC/54/R.11, including the ones on the duration of paternity leave, and submit them for the Commission's consideration at its fifty-fifth session *(ICSC/54/R.12, para. 131).*

2004 **58thsession (March – April):** At its 54th session, ICSC requested its secretariat to prepare specific proposals on the outstanding items with regard to paternity leave and submit them at its 55th session. The agenda item on paternity leave was deferred from 55th session and was taken at the 58th session. In response to the previous request, ICSC was presented with additional information and proposals for establishing the duration of paternity leave, separate conditions for this entitlement and measures for dealing with exceptional circumstances in the documented by its secretariat [ICSC/58/R.8].

ICSC decided, in the light of existing provisions developed individually by organizations for paternity leave and the statements from organizations, that the cost of the entitlement was negligible and that its application had no effect on operational capacity; and in consideration of the need to maintain good staffing/management relations, organizations should have flexibility in applying the provisions for paternity leave. ICSC therefore decided that: (a) A duration of up to four weeks paid leave for paternity purposes should be granted to staff at headquarters and family duty stations and up to eight weeks for staff at non-family duty stations or in exceptional circumstances, such as those mentioned in paragraph 204 of ICSC/58/R.8, including death of the mother, inadequate medical facilities or complications encountered at time of pregnancy; (b) The provisions outlined [subparagraph (a)] should supersede the existing paternity leave arrangements in organizations; (c) The provisions for adoption leave should not be subsumed under the provisions for paternity leave; and (d) Administrative details covering the management of paternity leave (e.g., the maximum number of leave entitlements) should be determined at the level of the organizations [A/59/30, vol.1, para. 210-211].

In its **resolution 59/268**, the General Assembly took note of the decision contained in paragraph 211 of the annual report of ICSC, and confirmed its recommendations to have paternity leave implemented throughout the common system within the parameters set forth in the report.

2006 **<u>63RD Session (July):</u>** As part of its review of the pay and benefits system, ICSC decided to include in its programme of work for 2005-2006, a review of all leave entitlements. An information paper [ICSC/63/R.2] summarizing all leave entitlements was prepared by the secretariat; however, the Commission responded by requesting that a more comprehensive inventory of leave practices, similar paid closure days and work hours of all organizations of the common system as well as the leave practices, holidays and work hours of the comparator be prepared and reviewed during the sixty-fifth session [ICSC/63/R17, para.61].

2007 **65th Session (July):** As a result of the Commission's request, the Human Resource Network prepared a note (ICSC/65/R3) in that regard and, in response the secretariat prepared an annex to that note.

Based on document ICSC/65/R3, the Commission decided that its coordinating and regulatory role in the area of leave entitlements should be concentrated on ensuring a consistent common system policy with respect to those entitlements of leave (e.g. annual, home and sick leave) which were essential to maintaining harmonized recruitment incentives, facilitating mobility of staff and ensuring coherent conditions of employment among organizations with similarly situated staff. On other leave entitlements, the Commission, while encouraging the organizations to consult with it, gave them flexibility to address issues in light of recent trends and best practices. The Commission also urged the organizations to strengthen partnership with the Commission and monitor best practices and developments in the area of leave entitlements [A/62/30, paras.57-59].

SECTION 4.91
PARENTAL LEAVE

2019 89th session (July-August): The Commission reviewed a report prepared by its secretariat containing information on available paid parental leave policies and practices in the United Nations common system, other international organizations, several countries around the world and the private sector. The overview of global trends and recent developments showed that parental leave policies varied around the globe, with some countries providing more generous leave provisions than others. [ICSC/89/R.15]

The Commission decided to:

(a) Establish a working group composed of members of the Commission, the representatives of organizations and staff federations to: i. Examine the parental leave entitlements of the United Nations common system in a holistic and comprehensive manner; ii. Develop a proposal for consideration by the Commission at its ninety-first session.
(b) Request its secretariat to conduct an in-depth analysis of available parental leave policies and practices in international organizations with reference to national systems and private sector organizations, covering all geographical regions in order to facilitate the task of the working group. [ICSC/89/R.15, para. 64]

2022 94th session (July):In 2022, the Commission considered a report prepared by its secretariat containing information on the working group's reviews of parental leave policies and practices in organizations outside the common system as well as the parental leave entitlements of the common system. The report also provided details of the approach that was applied by the working group in developing the proposal for enhanced parental leave provisions, including information on the relevant conventions and recommendations of entities and organizations in the United Nations system, as well as the agreed guiding principles for enhancing parental leave provisions.

The working group made a number of recommendations to the Commission for its consideration, inter alia, with regard to a unified parental leave policy for all parents and an additional perod of leave for the pre and post natal needs of birth mothers.

The Commission decided to:
(a) Replace the current maternity, paternity and adoption leave provisions with a parental leave provision of 16 weeks for all parents;
(b) Provide an additional period of 10 weeks to birth mothers to meet their specific pre- and post-natal needs. [A/77/30, para. 92]

The General Assembly welcomed the establishment of the new parental leave framework, requested the Secretary-General to implement the framework in the Secretariat of the United Nations within existing resources, on an exceptional basis, for the year 2023, and encouraged executive heads of other organizations of the common system to follow such practice. It also requested the Commission to submit to the General Assembly at its eightieth session an assessment and review of the implementation of the parental leave framework, with a detailed analysis of utilization data, staff satisfaction, expenditures, the incentive function of the new framework and its impact on the workforce in the common system, in particular in terms of job attractiveness and workforce retention. [A/RES/77/256/A-B]

CHAPTER 5
PENSIONS

SECTION 5.10
PENSIONABLE REMUNERATION

1976 **3rd and 4th sessions**: ICSC continued its review of the UN salary system in all its aspects. It recommended that the GA should: (a) adopt, with effect from 1 January 1977, the revised scales of staff assessments, gross and net salary and rates of post adjustment set out in annex VII (or VIII, as appropriate) of its 2nd annual report *(A/31/30)*; (b) authorize the payment to staff members whose total net remuneration would, by the application of these scales, be less than under the existing rules, the difference, as a temporary transitional measure, ICSC being authorized to determine the modalities for the gradual absorption and ultimate elimination of such transitional payments; (c) decide that the existing scale of pensionable remuneration (PR) be maintained temporarily where it was higher than the revised level of PR until such time as it was overtaken by the new level following an adjustment by the movement of the WAPA index; (d) decide that terminal payments which were expressed in terms of base pay should be expressed in terms of PR less staff assessment *[A/31/30, para. 247]*.

ICSC noted that the application of the existing staff assessment rates to GS salaries had resulted, in some localities, in levels of gross salary and of PR which overlapped to a very considerable extent with those of the P category. It concluded that it would have to pay particular attention to the level of GS gross and PR in its further studies of problems of the GS category and might then have to reexamine the rates of staff assessment to be applied to that category *[A/31/30, para. 343]*.

1978 In **resolution 33/119**, the GA approved ICSC's intention to make, as a matter of priority, a comprehensive examination of the functioning, methods of establishment and adjustment and appropriate level of PR, in particular with a view to preparing, in co-operation with UNJSPB, proposals to be submitted to the GA at its 34th session for correcting anomalies in the UN pension system brought about by the current economic and monetary circumstances.

1979 **9th session (February/March)**: After hearing the views of the working group of UNJSPB as well as those of FICSA, ITU, ILO and GATT, ICSC reviewed the rationale, objectives and characteristics of the UN pension scheme. It reaffirmed the various reasons which had led the UN system to establish its own pension scheme, rather than relying on national schemes to provide post-service coverage for its staff members, i.e. the need to ensure that the equitable treatment of all staff members was not vitiated by differences between various national pension schemes as regards both contributions and benefits; the necessity of maintaining the link, implicit in most pension systems, between employment and pension, between income during employment and pension benefits; the effect on the exclusively international character of the obligations of staff members if they depended on national authorities for their pension; the social responsibility of the UN as an employer *[A/34/30, para. 47]*.

ICSC noted that there were various conceptions of the nature of the pension; for example, that it is a form of deferred earnings, that it is an insurance against certain risks, or that it has characteristics of a social security scheme. It concluded that the UN pension scheme was indeed each of these, but more than all of them, as was noted by the 1960 Pension Review Group (Official Records of the GA, 15th Session, Annexes, agenda item 63, document A/4427, para. 11) *[A/34/30, paras. 48 and 49]*. In ICSC's view, the central purpose which is common to these different conceptions is to ensure to the staff member when he retires (or becomes disabled or to his survivors if he dies) the maintenance of a proportion of the income he received while in service. That criterion, of the income replacement value

of the pension, was seen by ICSC as crucial and had been applied by it in judging the adequacy of various alternative solutions *[A/34/30, paras. 50 and 51]*. ICSC noted that the measures introduced by the GA from 1 January 1979 on the recommendation of UNJSPB, which concerned the rate of exchange used for the conversion of the initial pension into local currency was, as the Board itself described it, a palliative; it provided a partial cushion against even greater losses which would otherwise be suffered in countries against whose currency the dollar might continue to decline. Only in those countries whose currency depreciated against the dollar will the pensioner be better off than he is in the US; in all other countries (including all the headquarters countries except Canada), the initial value of the pension in local currency would drop back still further in relation to its value in dollars *[A/34/30, para. 71]*.

ICSC did not accept the argument that the resulting pension, however inadequate it might seem to be by other standards, was still adequate by the standards of national civil service pensions in the pensioner's home country; this approach was wholly incompatible with the Noblemaire principle and with the concept of a homogeneous international civil service. The whole salary system was built on the foundation of equal treatment of all staff members, irrespective of nationality; and in the view of ICSC that same principle should consequently apply also to pensions *[A/34/30, para. 72]*. Given its concern for PR and pension entitlements as part of the overall system of remuneration, ICSC was convinced that the ultimate solution must be based on the principle of equitable treatment of all staff members and of all pensioners *[A/34/30, para. 80]*. In the same vein, ICSC, conscious of the terms of the third preambular paragraph of GA resolution 33/120, which stated: "No change in the pension adjustment system should entail an increase in the present or future liabilities of Member States", could not submit a recommendation to the GA unless it was able to report fully on its financial implications, both budgetary for the contributions of Member States and actuarial for the resources of the Fund. ICSC could say that the budgetary implications of any of the proposals it might have considered making would not be significant, thus satisfying the stipulation of resolution 33/120. ICSC regretted that up to the close of its 10th session it had been unable to obtain from the Pension Fund any estimate of the actuarial implications of the various alternatives which it was studying. It was therefore prevented from recommending a long-term solution that year *[A/34/30, para. 83]*.

ICSC expressed the opinion that, provided the condition set out below was met, the GA should decide to freeze the operation of the mechanism for adjustment of PR instituted by its resolution 1561 (XV) pending the adoption of a long-term solution. However, ICSC could not recommend the freezing of the WAPA adjustment system - that was, the freezing of PR at its 1979 level - without having been assured that that measure would not be prejudicial to those who were already disadvantaged by the inequitable working of the present system. ICSC therefore considered it indispensable that, concurrently with the freezing of the WAPA adjustment system, an appropriate interim measure should be enacted to prevent the pensions in question from falling below a predetermined minimum level. Such a measure was necessary not only to protect the category of staff members concerned against further inequitable treatment but also to preserve the cohesion of the common system. ICSC could not ignore - nor could the GA - the implications for the common system of the indications given by some of the organizations - in some cases by resolutions adopted by the Governments in the legislative organs of those organizations - that unless action was taken to correct the anomalies of the present pension system, they would feel obliged to take action outside the common system. ICSC expressed the hope that those organizations would continue to show patience if suitable interim measures were adopted while the search for a long-term solution continued *[A/34/30, paras. 86-88]*. As to what the interim measure should be, ICSC noted that, insofar as it would take the form of an adjustment of the initial pensions concerned and would not modify the way in which PR is established, it would fall within the competence of the Pension Board. ICSC further noted that the Board had instructed its Secretary "to study the possibility of interim measures intended to deal with at least some manifestations of the anomalies referred to in the GA resolution on an interim basis". It was informed

by the Secretary of UNJSPB of the lines along which he was working in preparing the interim measure which the Board had asked him to prepare *[For details see A/34/30, paras. 90-97]*.

By **resolution 34/221**, the GA authorized UNJSPF to implement in 1980 interim measures, recommended in paras. 34 and 39 of the report of ACABQ *[A/34/271]*.

In the same resolution, the GA requested ICSC and UNJSPB to conclude in 1980 their comprehensive examination of the functioning, methods of establishment and adjustment and appropriate level of PR with a view to submitting proposals to the GA at its 35th session for correcting, no later than January 1981, anomalies in the UN pension system brought about by the current economic and monetary circumstances, giving due consideration in the elaboration of those proposals to the fact that the adverse effects of currency fluctuations and inflation could less readily be absorbed by those with smaller pensions than by those with higher pensions and to that end; invited ICSC and UNJSPB to take full account of the views expressed on this and related matters in the Fifth Committee during the 34th session of the GA.

1980 **11th session (February/March)**: ICSC resumed its study of the question of PR in response to the above request of the GA.

12th session (July/August): ICSC decided to endorse the proposal formulated at the UNJSPB session held in Washington, D.C. This rectified to some extent the anomalies created by currency fluctuations by selectively compensating staff members retiring in countries where the cost of living was substantially higher than at the base (New York), while maintaining the universal system of pensions as well as the two-track adjustment system ("Washington proposal") *[A/35/30, para. 59]*. ICSC further recommended that PR on 1 January 1981 should be: (a) for the **P and higher categories** expressed as a function of the gross remuneration after consolidation of a number of points of post adjustment taking account of the concurrent revision of staff assessment rates *[A/35/30, paras. 64-67]*; (b) for the **GS and other locally recruited categories** the gross remuneration derived from a proposed revised scale of staff assessment which would be applied as and when revisions in the salary scales became effective after 1 January 1981 *[A/35/30, paras. 83-85]*.

Subsequent adjustments of PR for the **P and higher categories** would be based on the consumer price index of the USA for the purpose of computing basic dollar pension entitlements and on the WAPA index for the purpose of computing pension contributions *[A/35/30, para. 68]*. The movement of each index would be measured twice a year, in January and in July. A change in PR would be effected on the following 1 April or 1 October respectively, if the movement amounted to 5 per cent or more of the rates of PR then in effect. The full extent of the index movement would be applied, but with the provision that the rates of PR for contribution purposes could never fall below the rates used for benefit purposes *[A/35/30, para. 69]*.

By **resolution 35/215**, the GA decided to revise the pension adjustment system contained in GA resolution 33/120 (1978), with effect from 1 January 1981, in accordance with the recommendations of UNJSPB contained in section IV C of its report to the Assembly for 1980 and in annex V thereto.

1983 **17th session (March)**: ICSC considered the intention of the ILO DG to present to his Governing Body a **complementary pension scheme** for P staff. It agreed that: (a) the ILO action would be contrary to the principle of equal pay for work of equal value which was inherent in the Noblemaire principle as used for the determination of remuneration of staff in the P and higher categories; (b) the value of pension benefits in the current UN/US total compensation comparisons would be affected, in-so-far as one organization was concerned, with possible implications for others. ICSC therefore was of the view

that the proposed action by ILO would be inconsistent with the goals set by ICSC in the execution of the mandate contained in its statute *[ICSC/17/R.28, para. 246]*.

ICSC noted that the GA, by **resolution 36/223** (1981), had called upon the UN/SG, in his capacity as Chairman of ACC, to ensure that adequate measures were taken in promoting uniform and coordinated action in the common system. It further noted that the ILO/DG intended to place the matter of the ILO complementary pension scheme on the agenda of the 1983 first regular session of ACC. It therefore requested the Chairman to convey ICSC's views to the SG, requesting the latter, in turn, to place the full details of ICSC's opinions before ACC *[ICSC/17/R.28, para. 247]*.

18th session (July/August): The representative of ILO summarized the proposed **pension scheme** which had been primarily motivated by the premise that the existing retirement benefits for ILO pensioners of the P category failed to achieve an adequate rate of income replacement, particularly for the 70 per cent of ILO officials who retired in high-cost countries. He indicated that the ILO DG would propose to the next meeting of the ILO Governing Body in November 1983 a scheme consisting of a complementary pension payable in all cases on retirement, death or disability, and a compensatory pension payable selectively if the pension paid by the UNJSPF in the country of a pensioner's residence resulted in an income replacement value significantly lower than that achieved for a comparable official retiring in the US. The overall cost of the scheme was estimated at 7 per cent of PR to be shared by the organization (4 per cent) and participants (3 per cent) *[A/38/30, para. 182]*.

ICSC noted that according to the ILO estimate the total cost of its 4 per cent contribution would be in the order of $2 million per annum. It agreed that: (a) the ILO action would be contrary to the principle of equal pay for work of equal value which was inherent in the Noblemaire principle as used for the determination of remuneration of staff in the Professional and higher categories; (b) the value of pension benefits in the current UN/US comparison of total compensation would be affected, in so far as one organization was concerned, with possible implications for others *[A/38/30, paras. 185 and 186]*.

The GA in **resolution 38/233** drew to the attention of ILO the strong concern expressed during the 38th session of the GA over the need to maintain the unity, cohesion and integrity of the UN staff pension system and to avoid any action which might have an adverse effect on the said system. In the same resolution, the GA requested ICSC: (a) in cooperation with UNJSPB, to submit to the GA at its 39th session recommendations on the appropriate level of PR for the P and higher categories; (b) in examining the comparative levels of PR in cooperation with the Board, to compare the levels of pension entitlements in the light of all the factors it had brought to the attention of the GA in its 5th annual report, as part of the total compensation comparisons to be carried out within the framework of the Noblemaire principle, and to report thereon to the Assembly by the beginning of its 39th session on the basis of the latest available data in 1984. The GA decided that the implementation of any adjustment which may become due in 1984 on the basis of article 54 (b) of the Regulations of UNJSPF should be deferred until the GA, at its 39th session, had considered the recommendations of ICSC and the Board on the level of PR.

1984 **20th session (July)**: ICSC was informed that, at the 38th session of the GA, the Fifth Committee had considered a comparison of the PR amounts applicable to P and higher level staff in the UN system in 1971 and 1983 with the corresponding amounts applicable to employees of the federal civil service of the US for the same years. ICSC noted the concern expressed by some members of the Fifth Committee that the PR amounts for the federal civil service employees had increased by between 93 and 108 per cent for the period from 1971 to 1983 as against a corresponding increase of between 218 and 234 per cent in the same period for UN officials *[A/39/30, para. 24]*. It expressed the view that

this type of comparison was inappropriate for various reasons *[A/39/30, para. 26]*. ICSC also recognized substantial differences in the way the two systems were funded *[A/39/30, para. 30]*.

ICSC was of the view that direct comparisons of the amounts of PR in the US federal civil service and those applicable to UN officials in grades P-1 and above should be avoided. It further agreed that if there were significant differences in the levels of pension benefits calculated within the framework of total compensation comparisons, it would then undertake further studies *[A/39/30, para. 31]*. ICSC decided to take an approach to comparisons of UN/US pension which would enable it to determine the appropriate levels of PR for UN officials in the P and higher categories in a manner consistent with its comparisons of the other elements of compensation in the two civil services. Specifically, it agreed to the following approach: (a) the information provided by the US Government indicated that the average length of service for US federal civil service employees in grades GS-9 through GS-18 and SES grades 1 through 6 who had earned pension annuities was approximately 27 years. Therefore the average pension applicable to US federal civil service employees was calculated on the basis of an average length of service of 27 years. The average PR (average gross salaries) applicable for each one of these grades over the period 1 January to 31 December 1984 had been used in the exercise; (b) the relationships of the average pension for each grade calculated under (a) above to the net salaries over the period 1 January to 31 December 1984 were then determined *[A/39/30, para. 38]*. Following that approach ICSC recommended to the GA a new scale of PR for staff in grades P-1 through USG with effect from 1 January 1985 *[A/39/30, para. 46, and annex VI]*.

Staff in service prior to 1 January 1985 whose PR on 31 December 1984 was higher than the amount applicable as of 1 January 1985 would retain their PR as at 31 December 1984, until such time as it was overtaken by the new scale adjusted in the manner described below. For staff members receiving promotions or step increases after 1 January 1985, the PR amount determined in accordance with the new scale should be compared with the amount applicable as at 31 December 1984, and the higher of these two amounts should be used *[A/39/30, para. 47]*.

ICSC noted the concern expressed by some Fifth Committee members with regard to the procedure used for automatically adjusting the levels of PR of staff in the P and higher categories. It recalled that, prior to the recommendation of the current WAPA/CPI mechanism to the GA, ICSC had had an opportunity to consider various relevant issues after close consultation with the Pension Board. If ICSC were to re-examine the automatic adjustment procedure at its current session, it would not have had the benefit of the views of the Pension Board in this regard. As changes in the adjustment procedure would have serious implications for the Board, it would be essential for ICSC and the UNJSPB to have close consultations on the matter. ICSC therefore decided to inform the GA that it had addressed the Assembly's concern to the extent possible and practicable within the time assigned by it, and that if the GA wanted ICSC and the Pension Board to re-examine the adjustment procedure, it might wish to request these two bodies to undertake studies in this regard and report thereon to the Assembly at its 40th session. ICSC, nevertheless, decided to bring to the attention of the GA that the adjustment mechanism should be examined at the time of the next comprehensive review of PR amounts for staff in the P and higher categories. By that time the dual adjustment mechanism would have been in effect for a sufficiently long period of time to permit conclusions regarding its operation to be drawn *[A/39/30, para. 51]*.

ICSC proposed to the Pension Board that the dual mechanism for adjusting PR amounts between comprehensive reviews should continue to be used with the following modifications: (a) in the procedure outlined in the 10th annual report *(A/39/30, paras. 38 to 46)* a comparison of gross pension benefits to UN officials was made with the corresponding amounts of net remuneration at the base of the system, New York. For adjusting the PA classification of New York, CPI data applicable to that city were used. In view of this, for adjusting PR amounts for benefit purposes the New York CPI

should be used rather than the US CPI which had been in use since 1 January 1981; (b) adjustments to PR 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 *[A/39/30, para. 52]*. 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 PR proposed in annex VI *(A/39/30)* should be made on 1 April 1986, provided an increase in accordance with the adjustment procedure was called for on the basis of the movement of WAPA or CPI readings taken on 1 January 1986 *[A/39/30, paras. 52 and 53]*.

ICSC reminded the GA that the last adjustment to the levels of PR for P and higher category staff had been made on 1 October 1982 in accordance with the procedure approved by the GA for adjusting PR amounts. The US/CPI as of 1 July 1982 had been used to effect this increase. ICSC considered two possibilities with regard to the forthcoming increase. It noted that some organizations of the common system had provisions identical to those of article 54 (b) of the Pension Fund Regulations in their staff regulations. Consequently, if the GA were to decide that the forthcoming increase in PR amounts in accordance with article 54 (b) were not to be granted in view of ICSC's recommendations concerning appropriate levels of PR, these organizations would nevertheless have to implement the forthcoming increase. Thus, current amounts of PR would be applicable to staff working for some organizations of the common system while higher amounts would be applicable to others working for organizations where the adjustment mechanism is a part of the staff rules. ICSC was of the view that this would be most damaging to the unity of the common system *[A/39/30, paras. 55 and 56]*.

On the other hand, if PR amounts were increased, while for some staff members the resulting levels would be higher than those considered to be appropriate this would be only a temporary phenomenon. ICSC therefore held that the forthcoming increase in the levels of PR for P and higher category staff resulting from the application of article 54 (b) of the Pension Fund Regulations should be implemented *[A/39/30, paras. 60 and 61]*.

In **resolution 39/246**, the GA: (a) approved for implementation with effect from 1 January 1985 for all staff members in the P and higher categories in the member organizations of the Fund, the scale of PR recommended by ICSC; (b) noted from para. 53 of the 10th annual report of ICSC *(A/39/30)* that no interim adjustment of the scale was contemplated in 1985; (c) requested ICSC, in cooperation with UNJSPB, to re-examine the procedure for adjusting PR between comprehensive reviews, taking into account the views expressed in the Fifth Committee, and to report thereon to the GA at its 40th session, and in the meantime suspended the operation of the adjustment procedure in article 54(b) of the Regulations of the UNJSPF and deferred until its 40th session, pending further consideration of the recommendation of the Pension Board regarding amendment of the said article; (d) requested ICSC, in cooperation with UNJSPB, taking into account the views expressed in the Fifth Committee, to review the methodology for the determination of PR for the P and higher categories and for monitoring the level of PR, and to submit a report thereon to the GA at its 40th session, so that the Assembly could consider whether it would be appropriate to request ICSC to propose a new scale of PR to its 41st session; (e) invited all member organizations of UNJSPF to take the necessary measures to implement the above provisions.

1985 **22nd session (July)**: ICSC recalled that when it had recommended the methodology that was used to arrive at the revised scale of PR, it had also indicated that a number of elements were taken into account in determining the levels of PR. Changes in one or more of these factors could affect the outcome of the calculations substantially. It would, therefore, be essential for ICSC to monitor these factors on a continuous basis and report thereon to the GA as appropriate *[A/40/30, para. 17]*. ICSC agreed that, irrespective of whether it addressed the issue of the methodology on the basis of information on the revised civil service retirement scheme (CSRS) applicable to US federal civil

service employees, it would be essential for it to address the concerns expressed by the GA and report thereon to the Assembly at its 41st session *[A/40/30, para. 24]*.

ICSC also considered the issues of: (a) reflection of the expatriate margin in the amounts of PR; (b) reflection of the cost-of-living differential between New York and Washington, D.C.; (c) application of extrapolated ratios at the ASG and USG levels; adjustments for differences in the lengths of service; and the procedure for adjustment of PR in between comprehensive reviews. It decided to revert to all these matters in 1986.

In **resolution 40/245** (Report of UNJSPB), the GA: (a) took note of chapter II of the report of ICSC and section III.C.5 of the report of UNJSPB; (b) requested ICSC, in cooperation with UNJSPB, to: (i) carry out a comparative study of the levels of pension benefits and the ratios of pensions to salaries under the UN pension scheme and that of the comparator country; (ii) complete its review of the methodology for the determination of PR for the P and higher categories, for monitoring the level of PR and for adjustment of PR in between comprehensive reviews, taking into account the margin range established for net remuneration, the views expressed at the current session, including those concerning the evolution of the levels of PR and pensions in recent years and the different characteristics of the two services, and to submit its recommendations to the GA at its 41st session; (c) deferred until its 41st session further consideration of the recommendation of UNJSPB regarding amendment of article 54(b) of the Regulations of UNJSPF contained in the Board's report for 1984 and in the meantime extended the suspension of the operation of the adjustment procedure in the said article.

1986 **23rd and 24th sessions (March and July)**: ICSC considered the above GA request. It agreed that, while some or all of the factors taken into account in the net remuneration margin would also be applicable in the context of PR, there might well be a difference in the relative importance of their values. ICSC therefore agreed to recommend a margin range of between 110 and 120 with a desirable mid-point of 115, around which the margin between the UN/US PR amounts should be maintained over a period of time *[A/41/30, para. 23]*.

In summary, the approach which ICSC agreed to pursue to arrive at the scale of PR for recommendation to the GA could be translated into the procedure outlined below: (a) net remuneration amounts (net base salary, plus PA at the current level of multiplier 43 at the dependency rate) were calculated for UN officials in grades P-1 to D-2 in New York; (b) 96 per cent of the net remuneration amounts in (a) above were calculated; (c) 46.25 per cent of the adjusted net remuneration amounts referred to in (b) above were calculated at all grades and steps; (d) the amounts in (c) above were grossed up by the reverse application of the scale of staff assessment for those with dependants as shown in annex I to the annual report *[A/41/30]*. The resulting amounts represented gross pension benefits that would be earned after 25 years of contributory service; (e) PR amounts that would produce gross pension benefits in (d) above after 25 years of service were calculated using the formulae below: (i) the gross pension benefit after 25 years of service equals PR multiplied by 46.25 divided by 100; (ii) therefore, PR equals the gross pension benefit after 25 years of service multiplied by 100 divided by 46.25 *[A/41/30, para. 29]*.

According to the proposed scale, the PR of a D-2, step IV, would be $88,308. The maximum pension benefit of a D-2, step IV, (after 35 years of service) would be $88,308 multipled by 0.6625 of $58,504. Hence, one limit on the pensions of ASGs and USGs would be $58,504. ICSC was of the view that it would be possible to arrive at a PR amount for ASGs/USGs such that the second condition also produced the same figure. In that regard it noted that if the PR amount for both ASGs and USGs were fixed at $97,507, then 60 per cent of that amount would result in a pension of $58,504 and hence both

conditions laid down by the GA would produce the same result. ICSC was of the view that an amount equal to the pension benefit of a D-2, step IV, with 35 years of service was a reasonable retirement benefit. It therefore agreed that a PR amount of $97,507 for both ASGs and USGs could be considered to be reasonable *[A/41/30, para. 36]*.

ICSC recalled that, in its 11th annual report *[A/40/30]*, it had indicated that the interim adjustment procedure used for adjusting PR amounts should be compatible with the procedure used for determining those amounts as at the base date. The methodology ICSC decided to pursue to arrive at the scale of PR established a certain relationship between net remuneration of UN officials in New York and their pension benefits. A reasonable relationship between PR amounts for the officials of the two services within the limits of the range for the PR margin, as defined by ICSC above, was also established as at the base date. It therefore stood to reason that the interim adjustment procedure used for adjusting PR amounts between comprehensive reviews should maintain, grosso modo, the above-mentioned relationships for at least a reasonable period of time, for example, five to ten years until the next comprehensive review. If the relationships established by ICSC were acceptable to the GA and if those relationships were maintained, at least for the foreseeable future, it would obviate the need for frequent reviews. Bearing this in mind, ICSC proposed the following interim adjustment procedure for the Assembly's approval *[A/41/30, para. 39]*.

The scale of PR amounts in annex III of the annual report, if approved by the GA, would become effective as at 1 April 1987. Beginning as of the base date of 1 April 1987, PR should be adjusted on the same date as net remuneration in New York. Noting that remuneration was adjusted on a net basis while PR was determined and must, therefore, be adjusted on a gross basis, ICSC was determined that every 5 per cent movement of the scale of PR would require a 4.1 per cent adjustment of the net remuneration amounts in New York *[A/41/30, para. 40]*.

ICSC recommended to the GA that it should approve: (a) the range for the PR margin as set forth above; (b) the methodology for the determination of PR of UN officials in grades P-1 through D-2, as outlined above; (c) the procedure outlined above for the determination of PR amounts at the ASG and USG levels; (d) the scales of staff assessment contained in annex I of the ICSC report for implementation with effect from 1 April 1987; (e) the scale of PR amounts for the P and higher categories, contained in annex III, for both benefit and contribution purposes for implementation with effect from 1 April 1987; (f) the interim adjustment procedure for adjusting PR amounts between comprehensive reviews, as outlined above *[A/41/30, para. 44]*.

Implementation of the scale of PR recommended by ICSC would represent a reduction in costs of some $11.83 million per annum for all organizations and all sources of funds *[A/41/30, para. 45]*.

The recommendations of ICSC deviated from those of UNJSPB. The GA therefore settled, in **resolution 41/208**, for a scale of PR in between the one recommended by ICSC and that by UNJSPB. The GA stated, *inter alia*, that the establishment of clearly defined criteria for the determination of PR for the P and higher categories and the introduction of a new scale based on such criteria would contribute to a period of stability, which was essential for the common system; that in order to achieve this goal full cooperation between ICSC and UNJSPB and adequate reflection of the views of all parties concerned were necessary; recognized that there was a need, within the framework of the ICSC recommendations to take into account the reservations of UNJSPB; having examined the ratios of pension benefits to final net remuneration and the levels of pension benefits, on a gross and net basis, for UN officials and officials of the comparator service; taking into account the following elements relating to the structure of a scale of PR for the common system: (a) the introduction of a new scale of PR should not, except for the transitional measures, have any significant adverse actuarial impact on UNJSPF; (b) the scale of PR for the P and higher categories should be determined in relation to

pension benefits earned after 25 years of service and should take into account: (i) income replacement ratios of net pension benefits (calculated as gross pension minus staff assessment) to net remuneration for UN officials in New York at different grades and steps; (ii) income replacement ratios of gross pension benefits to net remuneration for UN officials in New York at different grades and steps; (c) the scale should not create distortions upon promotion; (d) PR for the USG level should continue to be higher than that for the ASG level.

The GA: (a) approved, for implementation with effect from 1 April 1987 for all participants in the P and higher categories in the member organizations of UNJSPF, the scale of PR set out in the appendix to the annex to its resolution; (b) approved the procedure for adjusting PR in between comprehensive reviews, as described in para. 40 of the ICSC report; (c) approved the transitional measures in respect of final average remuneration as recommended in the report of UNJSPB; (d) requested ICSC, in cooperation with UNJSPB to monitor regularly the PR for staff in the P and higher categories of the UN and that of US federal civil service employees in comparable grades, and to report thereon to the GA as appropriate; (e) requested ICSC to undertake, in full cooperation with UNJSPB, a further comprehensive review of the methodology for the determination of the scale of PR for the P and higher categories, for monitoring the level of the scale and for its adjustment in between comprehensive reviews and to present its recommendations thereon to the GA at its 45th (1990) session.

1989 **30th session (August)**: ICSC recalled that the scale of PR for staff in the P and higher categories was adjusted on the basis of the weighted average percentage movement in New York net remuneration multiplied by a factor of 1.22 (representing the ratio of gross to net salary movements). ICSC noted that the UN/US PR ratio had widened from 119.7 when the April 1987 scale was adopted to 130.1 in May 1989. This 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 *[A/44/30, paras. 29 and 31]*.

ICSC also noted that US federal income tax brackets 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 and the percentage increases in gross and net salary were virtually the same. This suggested that the use of the 1.22 multiplicative factor to derive the percentage increase in UN PR from the percentage increase in New York net remuneration was no longer justified. In reviewing this issue, ICSC further observed that income replacement ratios for UN staff had remained very close to their level when the GA approved the PR revised scale. In the light of the foregoing, ICSC considered whether a modification should be made in the current PR adjustment procedure, pending completion of the review of PR scheduled for 1990. It 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 PR due before completion of the 1990 review be made without application of the 1.22 factor, consideration of any further modification being deferred until 1990; (c) that, together with the modification in (b) above, the next upward adjustment in PR 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 **[***A/44/30, vol. I, paras. 32-34]*.

On balance, ICSC, by a majority, agreed to recommend option (c). It therefore recommended to the GA that any adjustment in PR due before completion of the scheduled 1990 PR review be made without application of the 1.22 multiplicative factor. It also decided that the first such adjustment should be reduced by 2.8 percentage points in order to remove the past impact of the 1.22 factor. ICSC further decided to consider the issue of PR levels on an annual basis and to report thereon to the GA *[A/44/30, vol. I, para. 42]*.

ICSC noted the arrangements approved by the Pension Board for the comprehensive review of PR to be carried out by ICSC in close cooperation 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. ICSC was informed that the Chairman of the Pension Board had formally requested ICSC through its own Chairman to designate ICSC members to join the group so that it would become a joint Preparatory Working Group. ICSC decided to designate three of its members to participate in their individual capacities in the deliberations of the Preparatory Working Group. It 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 ICSC on this matter *[A/44/30. vol. I, paras. 50 and 51]*.

ICSC was informed that UNJSPB at its 38th session had decided to inform ICSC and the GA that it had initiated a preliminary review of a number of methodological issues, with the expectation that ICSC would be placing on its work programme for 1990 a comprehensive review of the PR and consequent pensions of staff in the GS and other locally recruited categories. ICSC decided that in view of the importance of the subject it would place the matter on its programme of work for 1990 *[A/44/30, vol. I, para. 53]*.

By **resolution 44/199**, the GA approved the modification of the procedure for adjusting PR.

1990 **31st session (March)**: ICSC decided: (a) to undertake, as a priority issue, a comprehensive review of PR and consequent pensions for staff in the GS and related categories in close cooperation and consultation with the UNJSPB in 1991; (b) to establish a joint preparatory working group of three members of ICSC and six members of the UNJSPB, with FISCA and CCISUA each designating one member; (c) to give the working group a mandate to review the preliminary analysis prepared by the secretariats of ICSC and UNJSPB and to develop the documentation for submission to the first meetings in 1991 of ICSC and the Board respectively; (d) to invite a delegation designated by the UNJSPB to attend ICSC's August 1991 session, so as to facilitate efforts to arrive at mutually agreed recommendations for submission to the GA at its 46th session *[A/45/30, paras. 50 and 55]*.

32st session (July/August): ICSC noted that at its June 1990 session, the UNJSPB had deferred a decision on the desirability of a PR margin range. The UNJSPB Chairman stated the view of some Board members that at best, a PR margin range was unnecessary. Other Board members, however, were prepared to concur with the establishment of a PR margin range *[A/45/30, para. 23]*.

ICSC reaffirmed its view on the need for stability of PR and pensions, and that the income replacement approach should be retained as the cornerstone of the methodology for determining PR. The relationship of PR for UN officials and PR for US civil servants had to be kept in mind, but without a clearly defined and approved margin range this was not enough. There needed to be maximum and minimum levels, and the range should be established in a manner consistent with that used for the net remuneration margin *[A/45/30, paras. 31 and 34]*.

ICSC recommended to the GA that: (a) income replacement in New York should continue to be used as the basis for the methodology for the determination of PR for staff in the P and higher categories. The relationship between PR amounts for UN officials and for their counterparts in the US federal civil service would also have to be borne in mind; (b) the methodology used to establish the 1 April 1987 scale of PR should continue to be used in future; (c) a revised scale of staff assessment should be used in future for the determination of PR for staff in the P and higher categories; (d) the interim adjustment procedure, as amended by the GA at its 44th session, should be continued; (e) the margin range of 110-120 applicable to net remuneration should also apply for PR; (f) a new procedure should be used for

the calculation and reporting of the PR margin; (g) on each occasion the PR margin was calculated, the income replacement ratios applicable over the three-year period ending as on 31 December of the margin year would also be calculated for both the comparator and the UN system and reported to the GA; (h) following a review of the PR margin and the income replacement ratios, ICSC in cooperation with UNJSPB would make appropriate recommendations to the GA, particularly when the PR margin had reached, or was forecast to reach the upper or lower limit of the margin range, as long as the authority for such action rested with the GA; (i) bearing in mind the considerations in (h) above, the scale of PR for staff in the P and higher categories staff in effect as of 31 December 1990 should be used to make adjustments in accordance with the existing provisions of article 54 (b) of the Pension Fund Regulations falling due after 1 January 1991 *[A/45/30, para. 38]*.

Pending action by the GA on the above recommendations, ICSC calculated the PR margin in accordance with its proposed procedure. It decided to take note of the PR ratios of 116.5 and 129.7 with or without the cost-of-living differential respectively, based on the average remuneration amounts applicable for the period 1 January to 31 December 1990. ICSC also noted that the income replacement ratios based on the average PR amounts applicable over the period 1 January 1988 to 31 December 1990 and corresponding to 25 years of service, were 56 and 58 for the UN and the comparator civil service, respectively *[A/45/30, paras. 42 and 43]*.

By **resolution 45/542**, the GA approved the recommendations made by ICSC and the UNJSPB for the determination of the scale of PR of staff in the P and higher categories, for monitoring the level of the scale and for its adjustment between comprehensive reviews. The GA also requested ICSC, in full cooperation with the Board, to undertake in 1995 a further comprehensive review of the methodology for the determination of the scale of PR of staff in the P and higher categories, for monitoring the level of the scale and for its adjustment between comprehensive reviews and to submit recommendations thereon to the GA at its 50th session (1996).

By the same resolution, the GA noted the intention of ICSC and UNJSPB to undertake a comprehensive review of PR of staff in the GS and other locally recruited categories, and requested ICSC, in full cooperation with the Board, to submit recommendations to the GA at its 46th session.

1991 **33rd session (March)**: ICSC began its **comprehensive review of PR and consequent pensions for the GS and related categories** in line with its commitment to the GA as noted in resolution 45/242. It considered a series of documents (ICSC/33/R.8 and addenda) dealing with this issue as reviewed by the joint ICSC/UNJSPB preparatory working group. The effects of the application of two separate grossing-up procedures for the P and higher categories and for the GS and related categories and the use of separate scales of staff assessment on the levels of PR resulting from the same amounts of net remuneration were analysed in the documentation. A number of alternative approaches to the procedure currently being used for determining GS/PR, as well as the advantages and disadvantages of those alternatives, were also provided. The ICSC secretariat had dealt with the issue of the staff assessment rates for the GS category using the revised staff assessment scale based on the methodology used by ICSC in 1986. ICSC decided that its secretariat should convene a working group with the participation of the representatives of the organizations and staff to address the questions raised as regards the application of the 1986 methodology on the GS staff assessment rates. The views of the working group would be presented to ICSC at its 34th session *[ICSC/33/R.16, para. 70-71 and 86]*.

34th session (August): ICSC continued to monitor the PR for staff in the P and higher categories of the UN system and that of the US federal civil service employees in comparable grades. It decided to report to the GA; (a) estimated PR ratios of 118.3 and 130.3, with and without cost-of-living

differential, respectively, based on the average remuneration amounts applicable for the period 1 January to 31 December 1991; (b) that the average income replacement ratios based on the average PR amounts applicable over the period 1 January 1989 to 31 December 1991 and corresponding to 25 years of service were 55 and 57 for the UN and the comparator civil service, respectively *[A/46/30, vol. I, paras. 46 and 50]*.

Following a detailed examination of the information before it, and in particular preliminary data pertaining to the pension schemes of outside employers at selected duty stations, ICSC concluded that the study concerning GS/PR and pensions was bound to be a complex and time-consuming exercise. It therefore decided to recommend to the GA that a step-by-step approach to the matter be taken: (a) for the present ICSC would bring to the attention of the GA the scope of the problem and the complexities involved. Pending the completion of further studies, the current methodology for the determination of PR would continue to be used. In this connection, ICSC was recommending a revised staff assessment scale to be used for determining the PR of the GS and related categories with effect from 1 January 1992 *(see also section 2.2.30)*; (b) the ICSC and UNJSPB secretariats would undertake a study of local practices as regards pensions. Pension practices of outside employers used in the context of GS salary surveys at three Headquarters and three major field offices would be studied with the help of actuaries. The findings of the two secretariats would be submitted to ICSC and the Board in 1992; (c) concurrently, the secretariats of ICSC and UNJSPB would collect all relevant data concerning the introduction of the income replacement approach in conjunction with local taxes, for consideration by ICSC and the Board in 1992; (d) a progress report on the local practice study would be submitted to ICSC at its spring 1992 session. On the basis of that progress report ICSC would decide on the advisability of pursuing the local practice approach; (e) on the basis of the final reports from the two secretariats concerning the above studies and in close cooperation and consultation with the Pension Board, ICSC would formulate its final recommendations concerning the methodology to determine PR and consequent pensions of GS and related categories of staff for submission to the GA at its 47th session *[A/46/30, vol. I, paras. 72 and 84]*.

As to the implementation of the revised scale of staff assessment, ICSC agreed that the modalities used at the time of the introduction of the current scale, effective 1 January 1987, should be used. ICSC noted that in order to undertake comparisons of pension benefits provided by the outside employers used in the surveys of best prevailing conditions of employment for the GS staff with those provided by the UN system, services of actuarial consultants would have to be retained. On the basis of preliminary information obtained by the ICSC secretariat, ICSC considered that consultancy fees to carry out such studies involving 6 duty stations could amount to some $80,000 *[A/46/30, vol. I, para. 89]*.

ICSC decided to request the GA to: (a) endorse the phased approach to the completion of the comprehensive review of PR and consequent pensions of the GS and related categories of staff, as outlined above; (b) approve, for the GS and related categories of staff, a revised scale of staff assessment rates for implementation from 1 January 1992 in accordance with the modalities outlined above *(see also section 2.2.30)*; (c) approve the budgetary allocation of $80,000 for consultancy fees required to carry out the studies outlined above.

By **resolution 46/191**, the GA endorsed, with effect from 1 January 1992, the staff assessment scale and the modalities for its implementation for staff in the GS and related categories. In **resolution 46/192** (UN pension system), the GA: (a) concurred with the ICSC and UNJSPB conclusions that further studies were required of possible alternative methodologies in order to determine the most equitable solution for all parties concerned, including in particular studies of the feasibility of determining PR and/or pensions by reference to the local practices of employers used in GS salary surveys, of the income replacement approach followed in determining the PR of staff in the P and

higher categories, and of the use of local taxes to derive PR from net pensionable salaries; (b) endorsed the phrased approach to the comprehensive review and its timetable as set out in the ICSC report; (c) concurred with the view of ACABQ that the recommendations of ICSC and the Board should aim to eliminate current anomalies in the system and that the further studies should be completed within the proposed timeframe; (d) requested ICSC and the Board in their further studies to take into account the views expressed in the Fifth Committee, in particular those related to the administrative and financial implications of determining pensions in accordance with local practices of employers used in GS salary surveys and to the alternative of reflecting local conditions in the determination of PR through the application of local tax rates to gross up net pensionable salaries.

1992 **35th session (March 1992)**: ICSC continued its comprehensive review of PR and consequent pensions for the GS and related categories on the basis of documentation prepared jointly by the secretariat of ICSC and UNJSPB *(ICSC/35/R.12, and Corr.1 and Adds 1 and 2)*. Details of the progress made by the 2 secretariats in collecting and analysing data on local pension practices of outside employers used in the context of GS salary surveys at three headquarters and three field duty stations were provided. In respect of local pension practices, ICSC recalled its earlier view that, if the salaries of GS staff could be determined by reference to best prevailing conditions, it should be possible to follow the same approach for pensions. The information provided by the ICSC and UNJSPB secretariats had highlighted the complexity of the exercise; ICSC nonetheless considered that, in as much as part of that exercise had been carried out, it would be appropriate to complete it, irrespective of the complexities and the costs involved, so that ICSC could make informed decisions about the approach to be taken. ICSC decided that: (a) the data collected from outside employers on local social security and pension schemes at Alexandria, Geneva, Manila, New York, Santiago and Vienna should be analysed further by the consulting actuary. The results of that analysis should be presented to ICSC at its 36th session and to the Pension Board at its 44th session; (b) a working group of three ICSC members, three members nominated by the organizations and two each nominated by CCISUA and FICSA should be established with the following terms of reference: (i) the Working Group should bear in mind the relevant parts of GA resolution 46/192; (ii) the Working Group should review the following issues, taking into account the analyses contained in documents ICSC/33/R.8 and addenda, ICSC/34/R.9 and addenda, ICSC/35/R.12 and Corr. 1 and Add.1, as well as the observations made in the relevant reports of ICSC and the Pension Board: (a) how to exclude all or a portion of any non-pensionable components of net base salary; (b) alternative procedures for deriving PR from the net pensionable salary as determined under subparagraph (a) above.

In particular, the following should be examined: (i) whether all or a portion of the net pensionable salary should be grossed up, assessing in relation thereto the rationale for and the implications of the various alternatives presented; (ii) the various approaches presented thus far for determining the appropriate "tax factor", namely, use of dollar-based staff assessment rates; use of local tax rates; use of the band approach; use of pre-determined income-replacement ratios; and use of outside gross salary data; (c) the interim adjustment procedure to be applied to determine changes in the PR between comprehensive reviews; (iii) the Working Group should provide an assessment of the advantages and disadvantages of the various methodologies for determining and adjusting GS/PR, together with comparative illustrations of their results in respect of a cross-section of duty stations. The Working Group's report would be made available to the Pension Board at its July 1992 session. The report containing the analysis of the local pension practices data prepared by the consulting actuary would also be provided to the Board *[ICSC/35/R.17, paras. 115-120]*.

36th session (August): ICSC examined the report of the Working Group (which was also taken up by the Pension Board at its summer 1992 session). UNJSPB and ICSC also had before them a report on the study of local pension practices carried out by the secretariats of ICSC and UNJSPB with the

assistance of the consulting actuary of the Board. ICSC also had before it a document concerning PR and pensions submitted by FICSA. The views of the Board concerning this matter were also transmitted to ICSC. The documentation before ICSC and the Board dealt with 2 basic methodological approaches, namely: (a) determining GS pensions in accordance with the practices of local employers used in salary surveys; (b) relating GS/PR and therefore consequent pensions, to the salaries received while in service, but including a "tax element" to take into account the fact that, on the outside, PR was almost invariably defined as gross salary and that UN pensions, unlike salaries, were normally subject to taxation *[A/46/30, vol. I, para. 74]*.

ICSC noted that, as regards the very concept of what pension benefits should represent, the 1958 Expert Group on Pensionable Remuneration had expressed the view that it should be such that retirees support themselves under conditions not too markedly different from those enjoyed during their closing years of service. The concept was not further defined and, in a sense, it was left open-ended *(ACC/PR/28, para. 26)*. ICSC was of the view that it was difficult, if not altogether impossible, to assess the current methodology in the absence of clearly defined objectives against which a comparison of pension benefits could be carried out. With a view to assessing the appropriateness of the level of the pension benefit produced by the current arrangements, ICSC had undertaken a study of local pension benefits provided by outside employers. While some broad conclusions could be drawn as to whether pensions provided by outside employers were higher or lower than those of common system staff, precise comparisons leading to conclusions were not possible. In this regard ICSC also took note of the views of the Committee of Actuaries of the Pension Board. It agreed that the local practice approach should not be further pursued *[A/47/30, paras. 86 and 87]*.

ICSC then focused its attention on methodologies which related GS/PR to salaries received while in service. It noted that, while there were a number of problems relating to currency fluctuations in the context of grossing-up procedures, the most serious anomaly was that of income inversion (i.e. situations where the same or lower net remuneration received by GS staff led to a PR higher than that of a staff member with the same or higher net remuneration). That situation arose because the tax element added to the net remuneration of a GS staff member was significantly higher than for a P staff member with the same or higher net remuneration. ICSC recalled that, until 1960, PR had been equal to net remuneration. On the recommendation of the 1960 Pension Review Group (PRG), the GA had agreed to a system which eventually led to PR being determined on the basis of gross salary. As part of its consideration of this matter, the PRG had concluded that "it would be neither possible nor desirable to adopt a gross basis for part of the staff while retaining a net basis for others. Equally, we think it would be impracticable to use different rates of "grossing-up" for General Service scale at the different offices... If, therefore, gross scales are to be used at all, then the rates of grossing up should, in our view, be the same for each given salary level for all staff at all offices". Bearing in mind this rationale for the addition of the tax element, ICSC concluded that the current anomalous situation must be redressed *[A/47/30, paras. 88 and 89]*.

ICSC examined the respective methodologies used to determine the PR amounts of the GS and of the P and higher categories of staff. It noted that the staff assessment scales used to account for the tax factor for the two categories of staff were based on taxes applicable in different groups of countries and were determined using different procedures. They, therefore, produced significantly different rates. The procedures used for adjusting the PR of the two categories were also significantly different. ICSC noted that these three factors, namely, the different rates of staff assessment, the existence of two significantly different methodologies and the different interim adjustment procedures for the two categories of staff had contributed, in that order, to the income inversion phenomenon. Consequently, attention would have to be focused on those three elements. ICSC thus concluded that an approach whereby a part of the salary was used for grossing-up purposes should be considered for the GS staff (as it was for the P and higher categories). In conjunction with that approach, the use of the same or

very similar staff assessment formulae should be examined for the two categories of staff. Finally, the interim adjustment procedure for the GS staff should be aligned with that used for the P and higher categories *[A/47/30, paras. 90-93]*.

ICSC recalled that, for P staff, 46.25 per cent of net remuneration, corresponding to 25 years of contributory service, was used to derive gross salaries from net. The rationale for that approach was based on an average length of service of some 18 years for the P and higher categories of staff. The average length of service applicable to the GS and related categories of staff was between 22 and 23 years. ICSC considered that it would be justifiable to take into account 56.25 per cent of net salary, corresponding to 30 years of service, for this category.

As regards specific grossing-up procedures, ICSC agreed that its secretariat, in cooperation with the secretariat of UNJSPB, should develop a single scale of staff assessment for use in deriving PR from net remuneration for all categories of staff. The results of this study should be presented to ICSC at its spring 1993 session. ICSC also agreed that, along with the above data, the two secretariats should present the information collected to date on the band approach and local taxes *[A/47/30, paras. 94 and 95]*.

ICSC noted that under the current system, certain elements of salary were added together to arrive at a non-pensionable component of net salary. For HQ locations, the threshold for establishing that component was 10 per cent of total net remuneration. There was no established minimum for the non-pensionable component. For non-HQ duty stations, the threshold was 15 per cent of total net remuneration, which resulted in a minimum of 5 per cent of a non-pensionable component. A ceiling for the non-pensionable component equal to 25 per cent of net salary applied in the case of all duty stations. While a precise determination of what could be deemed to be non-pensionable at HQ locations was possible, this was not the case at non-HQ locations. Consequently, at those locations, in general, all non-taxable elements of salary were considered to be non-pensionable. At some duty stations, the non-pensionable element amounted to a significant portion of net salaries and, as a result, in some of those cases the gross salary (pensionable remuneration) was lower than net salary. ICSC considered that this was also an anomaly in the current system, and a detailed study of this matter was therefore essential *[A/47/30, para. 96]*. ICSC also considered that, if a change were made to determine pensionable remuneration using the income replacement approach, it would seem logical to take into account all regular elements of salary. This matter should be addressed on the basis of a study to be undertaken by the secretariats of ICSC and UNJSPB for presentation to ICSC at its spring 1993 session *[A/47/30, para. 97]*.

ICSC next addressed the date of implementation of its decisions and recommendations. It noted that its examination of the various alternatives relating to grossing-up procedures would be completed by its summer 1993 session and recommendations thereon could be submitted to the GA at its 48th (1993) session. Following the approval of those recommendations by the GA, the revised grossing-up procedure could be implemented with effect from 1 January 1994. ICSC's examination of the treatment of the non-pensionable component would also be completed by its summer 1993 session; its decisions on this matter could be used in conjunction with the revised methodology and grossing-upprocedurefrom1January1994. ICSC decided that: (a) methodology for determining the PR of the GS and related categories of staff: At the time of a comprehensive salary survey, 56.25 per cent of net salaries at each grade and step should be used in conjunction with the current staff assessment scale for the GS and related categories of staff to derive PR from net salary. Following the introduction of this procedure, the resulting PR should not be lower than net remuneration. Should that occur, net remuneration would be used as PR; (b) the secretariats of ICSC and UNJSPB should develop a single scale of staff assessment rates for presentation to ICSC at its 37th session, along with the data collected to date on the "band" approach and the local taxes approach. Following its examination of that

information, ICSC would make its final recommendation concerning the grossing-up procedure to the GA at its 48th (1993) session; (c) interim adjustment procedure: Between comprehensive salary surveys, the scale of PR in local currency terms for the General Service and related categories of staff would be increased on the same date and by the same percentage as the increase in net salaries; (d) non-pensionable component: The secretariats of ICSC and UNJSPB should carry out the above-mentioned study on the non-pensionable components of salary and present their findings to ICSC at its 37th session; (e) transitional measures: ICSC agreed that, if the PR scale in local currency terms resulting from the application of the procedure in (a) above were equal to or higher than the one in effect, the revised scale would be used; if it were lower, the scale in effect would continue to be used until the interim adjustment procedure described in (c) above produced a scale higher than the one in effect on the date of application of the revised methodology.

ICSC considered that its decisions and recommendations should be applied by all organizations, and for all duty stations, from 1 January 1994. The revised methodology for determining the PR for the GS and related categories should be used for all comprehensive surveys after January 1994. On an exceptional basis, however, revised scales of PR for the GS and related categories should be determined for all duty stations on 1 January 1994 using the procedures outlined in (a) above. The resulting scales should be implemented with effect from the same date, subject to transitional measures as under (c) *[A/47/30, paras. 99 and 100]*.

ICSC reported to the GA, together with the relevant calculations: (a) a PR margin for 1993 of 113.4 and 132.0, with and without adjustment for the New York-Washington cost-of-living differential respectively; (b) income replacement ratios for the three-year period from 1 January 1991 to 31 December 1993 of 55 and 56 per cent for the United Nations common system and the United States federal civil service, respectively *[A/48/30, para. 29]*.

In **resolution 47/203** (UN pension system), the GA, noting that (a) ICSC and UNJSPB had concluded that the methodology for determining GS/PR should relate PR to net base salaries received while in service; (b) regrettably, the Board had not been able to achieve agreement on the modalities for applying such an approach; (c) ICSC had reached conclusions on certain aspects of the methodology, indicated its intention to consider other outstanding aspects in 1993 and concluded that the implementation date for the revised methodology should be 1 January 1994: (i) endorsed the conclusions of UNJSPB and ICSC that the methodology for determining the PR of staff in the GS and related categories should relate the levels of PR and consequent salaries to salaries while in service; (ii) endorsed also that approach for future work on various aspects of the matter; (iii) endorsed further the conclusions reached by ICSC on those aspects of the methodology discussed in its report; (iv) requested ICSC, in close cooperation with the Board, as appropriate, to finalize the comprehensive review in 1993, and to submit recommendations on all aspects of the methodology to determine PR and consequent pensions, including the effective date of implementation and, transitional measures to protect acquired rights, to the GA at its 48th session; (v) also requested ICSC to recommend consequential amendments to the staff regulations of the member organizations, and the Board to consider amendments to the UNJSPF Regulations, which may be required in order to implement the revised methodology, in their respective reports to the GA at its 48th session.

1993 **37th session (March)**: ICSC considered information pertaining to the above request to the ICSC and UNJSPB secretariats to develop a single scale of staff assessment, along with the data collected to date on the band and the local taxes approach. It decided that an informal technical working group should be convened to prepare further documentation; the report of the group was then considered by ICSC. On the basis of the work of its 1992 working group and the views of the informal working group

thereon, ICSC concluded that neither the band approach nor the use of local taxes should be pursued further *[A/48/30, paras. 36-38]*.

ICSC accordingly focused on the development of a common staff assessment scale. It noted that while staff assessment at dependency rates was used to determine PR for the P and higher categories, the dependency rate of staff assessment was used to determine the gross salaries/PR of GS staff. Consequently, if a single set of staff assessment rates were to be developed for determining the PR for all categories of staff, based on either single or dependency rates, a number of difficulties could arise.

Since the introduction of the dependency and single rates of salaries for P staff in 1977, emphasis had always been placed on the salaries at the dependency rate. UN/US salary comparisons had been carried out on the basis of dependency rate salaries. The results of those comparisons (the margin) had played a critical role in monitoring P salary levels since 1985. Since 1977, P salaries at the single rate had been determined on the basis of the salaries at the dependency rate on a judgmental basis. It would therefore be inappropriate to determine Professional PR by applying staff assessment at the single rates to the current salaries at single rates, since the latter did not correspond closely to salaries at single rates based on taxes applicable to single taxpayers. If staff assessment at single rates were to be applied to single-rate salaries for the P staff, the latter would have to be adjusted to reflect taxes at the single rates. ICSC was of the view that a study pertaining to PR amounts should not be used as a basis for correcting anomalies, perceived or real, in the salary system. That point was particularly important since the current comprehensive review related to the PR and pensions of GS staff. It should therefore not be used to address anomalies in the salary scale for P staff *[A/48/30, paras. 39-40]*.

With regard to GS staff, ICSC noted that single-rate net salaries had been grossed up using staff assessment at single rates since the introduction of the system of staff assessment and the Tax Equalization Fund in 1948. At the present time, net salaries of GS staff at all duty stations were determined on the basis of the application of taxes at the single rates. In countries where there was a tax abatement and/or a social benefit for a dependent spouse, a separate spouse allowance, established as a flat amount, was paid to eligible GS staff. In many countries, no spouse allowance was payable. Therefore, if a staff assessment at dependency rates were to be applied to determine gross salaries from the net salaries of all categories, it would lead to distortions in the results for GS staff *[A/48/30, paras. 40-41]*.

ICSC agreed that the application of a single set of staff assessment rates (single or dependent) would, under existing circumstances, lead to anomalies and distortions for either P staff or GS staff, or both. It thus concluded that instead of striving for a single set of staff assessment rates applicable to all categories, efforts should be focused on developing a single scale, but with two separate sets of rates (dependency and single), as was done in most tax systems. As long as the two sets of staff assessment rates were determined from the tax rates of the same group of countries using a common approach, the part of the income inversion problem attributable to the differences in the tax element would be significantly reduced. ICSC therefore concluded that two separate sets of staff assessment rates, reflecting taxes at the dependency and single rates respectively, should be developed *[A/48/30, paras. 42-43]*.

It concurred with the informal working group's views concerning various aspects of the calculation procedure for developing a common staff assessment scale and agreed that the procedure proposed by the group *(as set out in A/48/30, para. 44 (b))* was sound and should be used to arrive at the scale. Noting that the income inversion anomaly had arisen over a long period of time, ICSC considered it advisable to rectify the anomalous situation over a reasonable period of time, using a phased approach. The introduction of the income replacement approach for GS staff would reduce the income inversion anomaly to some extent. The use of the 1-to-1 interim adjustment procedure would avoid further

widening of income inversion. ICSC therefore considered that a common staff assessment scale with two sets of staff assessment rates should be recommended to the GA for implementation in respect of all categories of staff, but only in 1997, following the comprehensive review of the PR of staff in the P and higher categories which was scheduled to take place in 1996 *[A/47/30, paras. 45 and 46]*.

If that approach was pursued, it could be argued that there was no reason to construct the common staff assessment scale at present, because it would have to be updated before implementation in 1997, based on the taxes applicable at that time. For illustrative purposes, however, a scale of staff assessment with separate rates for dependency and single rate salaries should be developed in accordance with the procedure outlined above and used to derive the consequent universal PR scale for P staff and the PR levels for GS staff at selected duty stations. On that premise, a common staff assessment scale was developed on the basis of taxes currently applicable at the 7 HQ locations *(see A/47/30, annex II)*. ICSC noted that some members of the informal working group had raised questions about the tax data for specific duty stations, e.g. Geneva. Those should, however, be taken into account at the time of developing the scale that would be recommended to the GA in the future *[A/48/30, para. 47]*.

Impact of the indicative common staff assessment scale on PR levels. The dependency staff assessment rates were used for the P staff in conjunction with currently applicable net remuneration amounts and the income replacement approach approved by the GA. The results were compared with currently applicable amounts of PR for staff in grades P-1 to D-2. The scale resulting from the application of the indicative staff assessment rates produced higher PR amounts at some grades than those in the current scale, and lower amounts at others *(see A/46/30, vol. I, annex III)*. ICSC also considered Professional PR amounts calculated using the current staff assessment scale for PR purposes approved by the GA in 1990 and compared them with the currently applicable PR amounts. It noted differences, both positive and negative, between the two sets of amounts at all grades and steps *[A/48/30, para. 48]*.

For GS staff, the impact of the application of the indicative common staff assessment scale on the levels of PR of GS staff in New York indicated that the introduction of a common staff assessment scale, based on current tax rates, would result in reducing the income inversion problem by approximately 4 per cent on an average basis *[A/48/30, para. 49]*.

ICSC decided, subject to consideration at its session in July-August 1993 of the views of UNJSPB: (a) to reaffirm its earlier position that the income replacement approach using 56.25 per cent of net pensionable salary should be used to determine GS/PR. The revised procedure should be implemented on the occasion of the first adjustment of the salary scale on or after 1 April 1994, subject to the transitional measures applied on the occasion of the introduction of the 1992 staff assessment scale; (b) that subsequent adjustments of PR, until the introduction of the common staff assessment scale, should be made on the basis of a 1- to-1 interim adjustment procedure; (c) that the procedure outlined under paragraph 44 of its annual report should be used to determine a common staff assessment scale, with two separate sets of rates (single and dependency) as part of the comprehensive review in 1996 of the methodology to determine the PR and consequent pensions of staff in the P and higher categories; and that the common staff assessment scale should be introduced in 1997 to determine the PR of the two categories of staff; (d) that ICSC would recommend in 1996 the modalities for the implementation of the common staff assessment scale, including appropriate transitional measures, if needed; (e) that, following the introduction of the common staff assessment scale in 1997, the income replacement approach would be used to determine GS/PR on the occasion of comprehensive salary surveys with subsequent adjustment of PR between comprehensive surveys made on the basis of the 1-to-1 interim adjustment procedure *[A/48/30, para. 52]*.

ICSC agreed to provide the above information to the Pension Board, which was to meet in June 1993. After considering the views of the Pension Board, it would formulate, at 38th session

recommendations to the GA on all aspects of the methodology to determine the PR and consequent pensions of staff of the GS and related categories, including the effective date of implementation and transitional measures to protect acquired rights *[A/48/30, para. 53]*.

38th session (August): ICSC was informed by the Chairman of UNJSPB that the Board's position on the methodology for determining GS/PR and the various aspects thereof. The Board's position included an endorsement of the ICSC's conclusion that an income replacement approach should be used to determine GS/PR, which the Board believed should also involve the following: (a) a recommendation that the ICSC "reconsider the factor to be used for grossing-up purposes and its relationship to the number of years of contributory service", taking into account the views expressed by the Board in 1992 and 1993, and the mandate in GA resolution 47/203; (b) a request that the introduction of the 1-to-1 interim adjustment procedure be linked with more frequent revisions of the staff assessment scale, following the introduction of the common staff assessment scale for application to all categories of staff in 1997 with which the Board agreed; the Board suggested a two-year review cycle; (c) a recommendation that ICSC should review, at its 38th session, the current methodology for use of the non-pensionable component in determining pensionable remuneration, taking into account the income replacement approach and the other considerations set out in the Board's report; the Board agreed with ICSC that the income replacement approach should be introduced on the occasion of the first salary adjustment made on or after 1 April 1994. It recommended that the modalities for the treatment of the non-pensionable components should be introduced as of the same date. Finally, the Board requested ICSC to give favourable consideration to modifying the transitional measures to provide for phasing in the effects of the grossing-up factor over two or three successive salary adjustments *[A/48/30, paras. 55-60]*.

At the outset, ICSC recalled that the Pension Board had not been able to reach specific conclusions on the methodology at its 1992 session; as a result, ICSC had been confronted with the difficult task of reaching conclusions on its own. At its special session in June 1993, the Pension Board had had before it the full details of the results of ICSC's deliberations in 1992 and 1993 (37th session). ICSC would, therefore, have preferred it if the Board had made specific proposals on the grossing-up factor rather than merely requesting ICSC to reconsider it. ICSC expressed disappointment that the Board had not provided a rationale for reconsidering the grossing-up factor. It looked forward to receiving timely and substantive inputs from the Pension Board in the future so that the two bodies could work in full cooperation on all aspects of their joint endeavours *[A/48/30, para. 67]*.

Following a review of the various factors involved, most members of ICSC were of the view that there were valid reasons for believing that the grossing-up factor could be 66.25 per cent of net pensionable salary corresponding to the maximum years of contributory service (35 years) *[A/48/30, paras. 67 and 68]*.

ICSC also considered the Board's recommendation to link the introduction of the 1-to-1 interim adjustment procedure to more frequent revisions of the staff assessment scale, e.g. a two-year review cycle. It recalled that it had already agreed in principle to more frequent reviews of staff assessment; however, definitive recommendations on that aspect should be submitted to the GA in 1996 along with the common staff assessment scale *[A/48/30, para. 71]*.

ICSC also reviewed the question of the non-pensionable component of salary as requested by the Board. It was, however, of the view that any further changes in the system used for determining the non-pensionable component or for setting the threshold and ceiling for that component, would require further studies based on the actual data collected from field duty stations. It therefore agreed to revert to that issue in 1996. Pending further review, ICSC decided to maintain the current provisions. All net remuneration amounts, without adjustment for any non-pensionable component, should be shown in

the salary scale separately. Gross salaries should be calculated using those total net remuneration amounts. Overtime pay and the children's allowance would also be based on the same total net remuneration amounts. The non-pensionable component would be shown separately by grade and step. Hence, all net remuneration adjusted by the non-pensionable component at each grade and step would be taken into account in arriving at the PR *[A/48/30, paras. 72 and 73]*.

As to the Board's request that ICSC give favourable consideration to phasing in any negative effect of the income replacement grossing-up factor, over two or three salary adjustments, ICSC decided to maintain its earlier position. Its recommendation as regards transitional measures to be used in conjunction with the introduction of the income replacement approach is contained in paragraph 85 (a) of its 1993 annual report. Transitional measures to be used in conjunction with the common staff assessment scale would be formulated for recommendation to the GA in 1996 when ICSC developed the common staff assessment scale *[A/48/30, para. 74]*.

As regards changes to the staff regulations, it was noted that under the revised procedure, gross salary and gross pensionable salary would not have the same meaning, the concept of gross pensionable salary being introduced for the first time. ICSC was informed that the possibility of an amendment to the staff regulations of the organizations whereby a differentiation would be made between gross salary and gross pensionable salary had therefore been considered at the meeting of UNJSPB. In that context, a prototype text was considered. The organizations were, however, of the view that the issue of a change in the staff regulations and actual texts to be incorporated should be left for individual organizations to consider *[A/48/30, paras. 83 and 84]*.

ICSC decided to recommend to the GA that: (a) the income replacement approach using 66.25 per cent of net pensionable salary should be used to determine PR for GS staff. The revised procedure should be implemented on the occasion of the first adjustment of the salary scale on or after 1 April 1994, subject to the transitional measures applied on the occasion of the introduction of the 1992 staff assessment scale; (b) subsequent adjustments of PR, until the introduction of the common staff assessment scale, should be made on the basis of a 1-to-1 interim adjustment procedure; (c) as part of the 1996 comprehensive review of the methodology to determine the PR and consequent pensions of staff in the P and higher categories, the procedure outlined under paragraph 44 of the 1993 annual report should be used to determine a common staff assessment scale, with two separate sets of rates (single and dependent). The common staff assessment scale should be introduced in 1997 to determine the PR of the two categories of staff; ICSC would recommend in 1996 the modalities for the implementation of the common staff assessment scale, including appropriate transitional measures, if needed; (d) following the introduction of the common staff assessment scale in 1997, the income replacement approach should be used to determine GS/PR on the occasion of comprehensive salary surveys, with subsequent adjustment of PR between comprehensive surveys made on the basis of the 1-to-1 interim adjustment procedure *[A/48/30, para. 85]*.

In **resolution 48/225** (UN pension system), the GA: (a) approved the ICSC recommendations that the income replacement approach, applying 66.25 per cent of the net pensionable salary, should be used to determine PR for staff in the GS and related categories and that the revised methodology should be implemented on the occasion of the first adjustment of the salary scale, on or after 1 April 1994, subject to the transitional measures applied on the occasion of the introduction of the 1992 staff assessment scale; (b) noted that the ICSC recommendations *(A/48/30, para. 85)* did not eliminate the income inversion anomaly and that further attention would need to be given to its elimination; (c) approved the recommendation that subsequent adjustments of PR until the introduction of the common staff assessment scale in 1997, should be made on the basis of a 1:1 interim adjustment procedure; (d) approved the procedure outlined in para. 44 of the ICSC report for determining the common staff assessment scale, with two sets of rates (single and dependent); (e) requested ICSC, in close

cooperation with UNJSPB, as part of the 1996 comprehensive review of the methodology to determine the PR and consequent pensions of staff in the P and higher categories, to develop a common staff assessment scale for the determination of the PR of all categories of staff, using the procedure approved and reflecting the latest available tax rates; (f) also requested ICSC to recommend to the GA at its 51st (1996) session a common staff assessment scale, together with the effective data and modalities for its implementation, including appropriate transitional measures, as required; (g) decided that, following the introduction of the common staff assessment scale in 1997, the income replacement approach should be used to determine the PR of staff in the GS and related categories on the occasion of comprehensive salary surveys, with subsequent adjustment of PR between comprehensive surveys to be made on the basis of a 1:1 interim adjustment procedure; (h) noted that ICSC, in close cooperation with the Board, would continue to keep under review the matter of the PR and consequent pensions of staff in the GS and related categories.

1994 **40th session (June/July)**: ICSC decided to report to the GA, together with the relevant calculations; (a) the PR margin for 1994 of 112.9 and 128.8 with and without adjustment for the New York/Washington cost-of-living differential, respectively; (b) the income replacement ratios for the 3-year period from 1 January 1992 to 31 December 1994 of 54.7 and 55.7 per cent for the UN common system and the US federal civil service, respectively *[A/49/30, para. 36 and annex II]*.

1995 **42nd session (July/August):** ICSC noted that its decisions regarding the latest UN/US grade equivalency study *(see section 2.1.30)*, the margin calculation methodology and the removal of dominance *(see section 2.1.40)* had resulted in lowering the UN/US PR ratio by approximately 3.7 per cent. The possible impact of those decisions on the income replacement ratio for the US federal civil service employees would be studied further as part of the 1996 comprehensive review of PR and consequent pensions for the P and higher categories. ICSC decided to report to the GA: (a) the ratio of the PR of the UN staff in grades P-1 to D-2 and their counterparts in the US federal civil service for 1995 was 104.1 and 120.3, with and without adjustment for the New York/Washington cost-of-living differential, respectively; (b) the income replacement ratios of 54.9 and 55.6 for the common system and comparator service, respectively *[A/50/30, paras. 323 and 324]*.

1996 **43rd session (April/May):** ICSC undertook a preliminary consideration of the following aspects of the PR and pension entitlements of all categories of staff: (a) methodology for the determination of PR; (b) common staff assessment scale *(see also section 2.1.80)*; (c) special index for pensioners *(see section 5.20)*. ICSC formulated tentative conclusions regarding the approach and the methodology to be used for determining the **PR of the P and higher categories**, its interim adjustment and the periodic monitoring of the UN/US PR and income replacement ratios. It would decide on its recommendations to the GA on all aspects of its review at its 44th session, taking into account the views of the Pension Board which would be submitted to ICSC.

On the basis of the actuarial analysis of pension schemes covering staff of the comparator and the common system, ICSC concluded that: (a) the pension benefits available to staff of the comparator under CSRS (applicable to staff hired prior to 1984) were approximately equivalent to those available to common system staff under the pre-1983 UNJSPF scheme and better than those under the modifications made in the UNJSPF plan since 1983; (b) the pension benefits available to staff of the comparator covered by the FERS scheme (which is applicable to staff hired in 1984 or later) were approximately equivalent to those of the common system staff hired under current provisions of the UNJSPF scheme; (c) the pension benefit values of both CSRS and FERS would have been credited with an additional value had ICSC considered differences in career lengths between the comparator

and the common system, as had been considered appropriate under ICSC's total compensation methodology *[A/51/30, paras. 43 and 44]*.

With regard to the **GS and other locally recruited staff**, ICSC recognized that while the implementation of its final recommendation for application of a 66.25 per cent grossing-up factor had reduced the phenomenon of income inversion, its original recommendation for a 56.25 per cent grossing-up factor would have reduced it even further. With regard to an increase in the 66.25 per cent factor to 70 per cent, ICSC noted there was no urgency to address the issue because under current rules no staff member could obtain the maximum accumulation rate of 70 per cent before July 2000 at the earliest. ICSC noted that the methodology for determining the PR of the GS staff which was introduced in 1994 had worked as intended and no change in the methodology or its application was called for at the present time. The **non-pensionable component**, which had been considered over the years in varying degrees of detail by both ICSC and UNJSPB, was a complex issue that required careful and detailed analysis. A certain urgency was attached to that matter since numerous staff were affected. Given the complexity of the issue, ICSC considered that a working group should be established to address technical details *[A/51/30, paras. 61-63] (see also section 2.2.10).*

ICSC noted statistical information on UNJSPF participants, beneficiaries and benefits, including distributions of participants by length of contributory service. It concluded that the average length of contributory service had remained relatively stable since 1987 when the income replacement approach, including the 46.25 per cent grossing-up factor, had been established as the basis for determining PR levels of the P and higher categories. It therefore seemed that there was no justification for modifying that factor based on the average length of contributory service. There were, however, a number of related issues, such as income inversion and the common scale of staff assessment, which had to be addressed before the appropriateness of the 46.25 per cent grossing-up factor could be determined *[A/51/30, para. 35]*.

ICSC noted that the application of the income replacement methodology to current net salary levels of the P and higher categories in New York would result in pensionable remuneration levels higher than those currently in place. It attributed that situation to the conservative nature of the one-to-one interim adjustment procedure between comprehensive reviews (which required that pensionable remuneration be adjusted at the same time and by the same percentage as net salaries in New York) *[A/51/30, para. 36]*.
ICSC then examined the evolution of UN/US PR comparisons and income replacement ratios over the years 1990 to 1996. That information showed that the movement of PR levels of the P and higher categories had been in line with those of the comparator and with common system net salary levels, as had been expected at the time of the 1990 comprehensive review. ICSC considered that the methodology for determining pensionable remuneration levels of the P and higher categories, taken together with the one-to-one interim adjustment process, had worked as expected. With regard to the actuarial evaluation of the comparator's two pension schemes (CSRS and FERS) *vis-à-vis* the common system scheme, ICSC considered that future comprehensive reviews would need to feature such analyses since fewer and fewer comparator staff would be covered by the CSRS scheme in the future *[A/51/30, paras. 37 and 38]*.

ICSC viewed the actuarial comparison of pension schemes as providing additional analyses which enabled it to draw broad conclusions about retirement benefits. It did not consider it appropriate to suggest that the changing structure of the comparator's pension system, as reflected by FERS, would require a consequent restructuring of the UNJSPF scheme along similar lines. In terms of the results of the actuarial evaluation, ICSC noted that CSRS provided a higher level of retirement benefits than FERS at all relevant income levels and that the retirement benefit of CSRS compared favourably with the UNJSPF scheme for common system participants hired before 1983 (i.e., prior to modification of

the accumulation formula). The actuarial analysis showed that there had been a general erosion in the level of retirement benefits since the early 1980s in the case of both the comparator's schemes and that of UNJSPF *[A/51/30, paras. 39 and 40]*.

In the context of the actuarial comparisons, ICSC considered the issue of the mandatory age of separation applicable in the common system (which did not exist for staff of the comparator) *(see section 5.30)*. It recalled that in the context of its total compensation comparisons with the comparator conducted in the 1980s, it had concluded that the ability of the comparator's staff to continue working and accumulating pension benefits, without a requirement to separate at a specific age, represented an advantage for comparator staff. That advantage was not reflected in the actuarial analyses. ICSC recalled that it had developed a specific calculation method to take account of this advantage in its total compensation comparisons with the comparator. If that advantage were quantified, as had been done in the total compensation comparisons, both CSRS and FERS would show somewhat higher pension benefit values *[A/51/30, para. 41]*.

With regard to the **interim adjustment procedure**, ICSC considered that it was desirable to maintain a conservative approach. Appropriate adjustments could be made at the time of comprehensive reviews. A number of factors had to be considered before any change in methodology might be recommended. These included not only average length of service data of common system staff, in the context of determining the appropriate grossing-up factor, but also: (a) the status of the income inversion phenomenon; (b) the impact on PR levels of a common scale of staff assessment; (c) the results of UN/US comparisons of pensionable remuneration levels, income replacement ratios and pension benefit values *[A/51/30, para. 42]*

44th session (July/August): A detailed report covering the Pension Board's consideration of the methodology for determining the PR of the P staff *(ICSC/44/CRP.4)* formed part of ICSC's review of the tentative conclusions reached at the 43rd session *(see above)* and the formulation of its recommendations to the GA. ICSC noted that the Board's conclusions regarding the methodology, and its interim adjustment between comprehensive reviews were identical to the tentative conclusions ICSC had reached. Therefore, it decided to make the following recommendations to the GA regarding **PR for the P and higher categories**: (a) income replacement in New York should continue to be used as the basis for the methodology; (b) the methodology used to establish the PR current scale should continue to be used in the future; (c) the current interim adjustment procedure for adjusting PR should be continued; (d) the monitoring of PR and UN/US income replacement ratios should be carried out on the occasion of periodic comprehensive reviews of the PR and consequent pensions of the P staff. Between comprehensive reviews, ICSC would review the factors affecting the above comparisons once every two years and submit a report thereon to the GA, only if necessary. ICSC also decided to inform the GA that on the occasion of future comprehensive reviews of PR of P staff, ICSC would carry out, in close cooperation with the Pension Board, actuarial analyses of the pension benefits from the UNJSPF scheme and those applicable to the staff of the comparator service and report the results of those studies to the GA *[A/51/30, para. 55]*.

The Pension Board had also concurred with the tentative conclusions of ICSC at its 43rd session regarding various aspects of the methodology for the **PR for GS staff**. ICSC decided to recommend to the GA that: (a) the income replacement approach and the methodology related thereto should continue to be used for the determination of PR of the GS and related categories of staff, including the use of 66.25 per cent of net pensionable salary for grossing-up purposes; (b) the current interim adjustment procedure should be continued. ICSC also decided to inform the GA that it had agreed to the establishment of a working group to consider the non-pensionable component issue as part of the

review of the GS salary setting methodologies for HQ and non-HQ duty stations scheduled for 1997 *(see section 2.2.10.) [A/51/30, paras. 66-67]*.

Under its standing mandate from the GA, ICSC continued to monitor the PR of staff in the P and higher categories and that of US federal civil servants in comparable grades. It invited the GA to note that (a) the PR margin for 1996 was 108.7 and 125.1 with and without adjustment for the New York/Washington cost-of-living differential, respectively; (b) the average income replacement ratios for the 3-year period were 55.0 for the common system and 55.5 for the US *[A/51/30, paras. 123-125]*.

In **resolution 51/217**, the GA approved without change the recommendations emanating from the comprehensive review of PR. It requested ICSC, in full cooperation with the Pension Board, to undertake a further comprehensive review in 2002 and submit recommendations thereon to the GA at its 57th session.

2000 **52nd session (July/August):** ICSC examined changes in taxes at the seven headquarters duty stations. The data showed that average taxes had increased or decreased only minimally at the relevant income levels between 1997 and 1999. Therefore, ICSC decided to report to the GA that the current common scale of staff assessment should continue to apply and should again be reviewed at the time of the next comprehensive review of pensionable remuneration. In reviewing its work programme, however, ICSC considered that the study of the salary system might affect the determination of pensionable remuneration. It therefore decided to postpone its comprehensive review of pensionable remuneration from 2002 to 2004, at which time the issue of tax deductions related to employees or retirees for the construction of the staff assessment rates would be addressed *[A/55/30, para102]*.

The General Assembly, in its resolution **55/223**, took note of the decisions of ICSC.

2002 **54th session (April/May):** At its fifty-fourth session, ICSC examined the changes in taxes at duty stations concerned since its most recent consideration of this item. The data showed that average taxes had increased or decreased minimally at the relevant income levels between 1999 and 2001.

ICSC decided to report to the General Assembly that the current common scale of staff assessment should continue to apply and should again be reviewed when the next comprehensive review of pensionable remuneration was undertaken in 2004 *(A/57/30* para. 96).

The General Assembly, in its resolution **57/285**, took note of the decision.

2004 **58th session (March/April):** ICSC was presented with a note prepared by its secretariat that provided background information and proposed an outline for the issues to be addressed in the review. Also included was a time schedule for the proposed review.

ICSC decided to propose to the Board the establishment of a joint working group for review of pensionable remuneration, consisting of staff drawn from the two secretariats and the following time schedule: Fall and winter 2004/2005. Joint working group prepares documentation to be considered at ICSC's session; spring and summer 2005. ICSC reviews documentation presented to it; summer 2006. ICSC and Board jointly submit their recommendations to the GA.

ICSC also decided to address the following issues during its upcoming review of pensionable remuneration: (a) The relationship of the common scale of staff assessment to the tax regimes applicable at the headquarters duty stations; (b) The adjustment of the pensionable remuneration scale

between comprehensive reviews; (c) The relationship of the common scale of staff assessment to the following: (i) The pensionable remuneration levels for Professional and General Service staff, including an analysis of income inversion; (ii) The consequent pensions of both categories of staff; (d) An analysis of the concept of income replacement as it relates to the calculation methodology for pensionable remuneration, particularly in the context of taxes applicable to retirees and those applicable to employees and the weighted average contributory service used in the grossing up factor; (e) A comparison between US pensions and income replacement values and those of the UN, including an actuarial comparison of the United States CSRS and FERS schemes vis-à-vis the Pension Fund scheme as well as a "cost to employer" approach; (f) The relationship of the continuing pay and benefits review and relevant pension issues.

ICSC also decided that the tax data relevant for Madrid should be included in the calculations of the common scale of staff assessment and in the biennial calculations to update the scale.

59th session (July): ICSC welcomed the Chief Executive Officer of the Pension Board who introduced a note containing the views of the Pension Board on the review of the pensionable remuneration. The items the Pension Board considered included: (a) non-pensionable component; (b) double taxation; (c) reverse application of the special index for pensioners (at high-tax locations); and (d) impact of steep devaluation of local currency and/or high inflation. In addition, the Board considered that income replacement rations, US/UN pension benefit comparisons and the impact of the pay and benefits review on pension benefits also needed close attention in the review. The Board proposed a collaborative work schedule extending from the fall and winter of 2004-2005 to the completion of joint ICSC/Pension Board recommendations to the GA in 2006. In the context of the review the Board recommended a formal joint ICSC-Pension Board Working Group and a Contact Group to facilitate communication prior to the establishment of the Working Group [A/59/30, para. 170-171].

ICSC decided to concur with the proposals of the Pension Board with regard to the terms of reference of the Working Group and modalities for cooperation [*A/59/30, para. 181]*

ICSC decided to report to the GA that the current common scale of staff assessment should continue to apply and should again be reviewed at the time of the next comprehensive review of pensionable remuneration, which was scheduled for 2005-2006 *[A/59/30, para. 188].*

In its **resolution 59/268,** the GA took note of the decision of the Commission contained in paragraph 181 of its annual report.

2010 **71st session (Jul/Aug):** In its resolution 51/217 of 18 December 1996, the General Assembly requested the Commission, in full cooperation with the United Nations Joint Staff Pension Board (UNJSPB), to undertake in 2002 further comprehensive reviews of the methodologies for the determination of the pensionable remuneration of staff in the Professional and higher categories and the General Service and related categories, and for the adjustment of the pensionable remuneration between comprehensive reviews and to submit its recommendations thereon to the General Assembly at its fifty-seventh session. After deferrals, in 2002, 2004 and 2005 due to the then ongoing pay and benefits review, which could have had implications for pensionable remuneration, this item was placed on the Commission's programme of work for 2010-2011.

Document [ICSC/71/R.5 Review of Pensionable Remuneration: Roadmap and issues to be considered] prepared by the secretariat in consultation with the Pension Board was for consideration. After discussions first at the UNJSPB fifty-seventh session and at the Commission's seventy-first session, it

was decided that the following would be reviewed: (i) the Common scale of staff assessment, (ii) Income replacement ratios, (iii) Cost comparisons of the US/UN pension schemes, (iv) Non-pensionable component, (v) Double taxation, (vi) Impact of steep devaluation of local currency and/or high inflation and (vii) Small pensions. It was also decided that the secretariats of ICSC and UNJSPF would meet informally as necessary in order to successfully complete the review. Recommendations would be presented to the Commission at its seventy-second session. A final joint report from the Commission and the Board would be submitted to the General Assembly at its sixty-sixth session during autumn 2011.

2011 **72nd session (March/April):** The Commission's considerations of the comprehensive review of pensionable remuneration were based on documents ICSC/72/R.4 and Corr.1 and ICSC/72/CRP.7 and were reported in its annual report for 2011 (A/66/30). The Commission decided to inform the General Assembly that it would continue its review of pensionable remuneration in two phases: (1) develop a methodology for comparing the United States/United Nations pension schemes; (2) conduct an overall review of pensionable remuneration methodologies, including (a) income inversion, (b) alternatives to the current approach and a logical basis for the use of the dependency tax rates versus the single tax rates in constructing the common scale of staff assessment, with particular attention to equity among participants; (c) the grossing-up factor, (d) national tax rates and the use of weights to reflect them. Regarding the non-pensionable component, the Commission decided not to introduce changes at the present stage but to include the issue in the overall review of pensionable remuneration. Regarding the service differential, the Commission took note of the decision of the Chief Executive Officer of the Pension Fund to request that the Rome-based organizations stop the practice of making service differential pensionable, pending a review of service differential during the next comprehensive salary survey in Rome during the second quarter of 2012.

In **resolution 66/235** the General Assembly took note of the report of the Commission.

2012 **75th session (July):** The Commission decided to report to the General Assembly: (1) that Federal Employees Retirement System and the United Nations Joint Staff Pension Fund schemes **are comparable** at similar employee contribution levels with a potential for US employees to receive a significantly higher benefit because of the provision for voluntary contributions and the corresponding employer matching for up to 5 per cent; (2) **that it will** continue monitoring the **income inversion** phenomenon, which, at the present stage, would not require additional measures for reduction because the actual occurrence of it is low; (3) that **it will maintain the different grossing-up factors** because there were no compelling reasons for changing them and because of concerns regarding the financial and actuarial impact of such measures on organizations and the United Nations Joint Staff Pension Fund; (4) **that it will continue with the one-to-one interim adjustment procedure** of the pensionable remuneration scale which should be reviewed and recalculated based on the five-year review cycle; (5) **that it will establish a baseline for the common scale** of the staff assessment as at 2012 against which the five-year review of the pensionable remuneration scales should be made using the cumulative, rather than an incremental, approach that would measure the average differences at the referenced income tax levels since the last adjustment of the rates; (6) **that it will maintain** the present approach to the non-pensionable component until additional information becomes available based on the experience of applying the new General Service salary survey methodology.

In **resolution 67/257** the General Assembly recalled its resolutions 45/242 of 21 December 1990, 47/203 of 22 December 1992, 48/225 of 23 December 1993 and 51/216 and took note of the decisions contained in paragraph 59 of the report of the Commission.

2015 **81st Session (July):** As part of **the comprehensive review** of the compensation package for staff in the Professional and higher categories, conducted by the Commission between its 76th to 81st sessions (March 2013 to July 2015), the Commission recommended to the General Assembly that one net

salary scale be introduced for all staff in the Professional and higher categories without regard to family status.

Given that the proposed scale is largely based on the existing dependency rate salary scale less the proportion to be granted as a spouse allowance, the present pensionable remuneration amounts would be maintained in the majority of cases and would continue to be adjusted on the same date and by the same percentage as net remuneration changes in New York. Where the proposed salary scale implies a structural change to the current scale, based on the need to address existing problems, including grade spans and scale compression, new pensionable remuneration amounts would be calculated by means of interpolation and extrapolation as appropriate, on the basis of the existing salary and pensionable remuneration scales for each individual grade (A/70/30/annex II, section D)

In its **resolution 70/244** the General Assembly **approved** the proposed pensionable remuneration scale, upon implementation of the proposed unified salary scale and decided that the proposed pensionable remuneration scale should be updated to reflect any changes in net remuneration that may occur in New York before it is implemented to ensure that staff continue to receive at least the same pensionable remuneration. (**A/RES/70/244/section III, paras 14-16)**

2017 **84th session (March):** The Commission reviewed document ICSC/84/R.4 on the methodology for establishing pensionable remuneration (as adopted by the General Assembly in resolution 41/208) and evolution of its elements. The Commission agreed to a preliminary list of issues, identified in consultation with the secretariat of the United Nations Joint Staff Pension Fund, and approved a road map for the comprehensive review of pensionable remuneration.

The Commission observed that the transition to the unified salary scale was a new element of the review, and also agreed that the common scale of staff assessment needed to be updated to reflect developments with reference to national taxation (A/72/30, para72).

85th session (July): The Commission considered options for recalculating the pensionable remuneration for Professional staff and ungraded officials under the new unified salary scale, review of the different grossing-up factors applied to Professional and General Service category, and incidence of income inversion (ICSC/85/R.4). The Commission recognized the complexity of the matters involved, and while noting the relative advantages and disadvantages of the options presented, decided to:

a) Establish a working group, with the participation of Commission members, representatives of organizations and staff federations, in coordination with the secretariat of the United Nations Pension Fund;

b) Request the working group to: i) conduct an initial analysis of the common scale of staff assessment; ii) pursue further all the options proposed with regard to the grossing-up factors and the alignment of pensionable remuneration with the revised salary structure, taking into account the interrelationship of these elements with the common scale of staff assessment; iii) report its findings to the Commission at its eighty-six session (A/72/30, para 90).

2018 ***86th session (March):*** The Commission reviewed document ICSC/86/R.3, which contained the findings and recommendations of the working group which had been established to review holistically all elements of the formula for calculating pensionable remuneration.

Alignment with the unified scale: With the introduction of the unified scale, the link between net remuneration and pensionable remuneration needed to be re-established. The Commission noted that the adoption of the unified scale reinforced the notion of payment of salary for work and not

dependency status and supported the recommendation of the working group to apply the single rates of the common scale of the common scale of staff assessment to net remuneration under the unified salary scale, without addition of the spouse allowance.

Grossing up factors: The Commission considered the rationale for establishing different grossing-up factors for General Service and Professional staff, namely, the different average years of service. The Commission took note of the four options proposed for the grossing-up factors used to calculate the levels of pensionable remuneration and supported the recommendation of the working group to maintain the existing grossing-up factors.

Common scale of staff assessment: The common scale of staff assessment was established based on taxation at the headquarters duty stations. Noting the addition of two new member organizations in the common system with headquarters in Hamburg, Germany and Kingston, Jamaica, the Commission recalled its decision taken in 2017 to examine the recently added headquarters locations in a broader context, with a view to ensuring a consistent approach to their treatment under various common system groupings. It agreed with the recommendation of the working group that consideration be given to the inclusion of Germany as a reference country for all elements where headquarters are relevant. In considering the rate of common scale of staff assessment, the Commission supported the application of the single rate of common scale of staff assessment for all staff categories with the introduction of an additional bracket and the adjustment of the rates, with paramount consideration given to any unintended negative consequences on the level of pensionable remuneration.

Ungraded officials: The Commission took note of the introduction of additional steps at the D-2 level under the unified scale and recalled its previous decision in 1991 to maintain the reference to the top step at the D-2 level for ungraded officials. It supported the recommendation of the working group to maintain the reference to the top step of the D-2 level of the unified salary scale for ungraded officials.

Acquired rights and financial implications: The Commission took note of the financial implications for the organizations (US$ 38.4 million per annum) and the number of General Service staff affected by changes in the common scale of assessment. Grandfathered levels of pensionable remuneration for staff in General Service and National Officer categories were supported as fundamental to any changes in the common scale of staff assessment. The Commission was informed that the proposed changes were estimated to increase the Pension Fund’s required contribution rate by 0.12 per cent of pensionable remuneration and that it would have a limited effect on the long-term funding *(A/73/30, para 44).*

The Commission decided to:

(a) Proceed with the comparability study of the pension schemes of the United States and the United Nations based on the following recommendations:

(i) The application of the single rates of the common scale of staff assessment to the net remuneration of staff in the Professional and higher categories, without the inclusion of the spouse allowance;

(ii) The retention of the current grossing-up factors for both categories of staff;

(iii) The retention of the reference to major headquarters locations for the purposes of tax systems referenced for the calculation of the common scale of staff assessment;

(iv) The introduction of an additional bracket to the single rates of the common scale of staff assessment;

(v) The adjustment of the single rates of the common scale of staff assessment, as reflected in the table above paragraph 15;

(b) Maintain the reference to the top step of the D-2 level of the unified salary scale and revise the parameters of the formula to minimize any unintended increase in the levels of pensionable remuneration of ungraded officials;

(c) Protect the current levels of pensionable remuneration for any staff member who would otherwise have a lower level of pensionable remuneration following the revision of any elements, including the rates of the common scale of staff assessment.

87th session (July): The Commission reviewed the comparability study of the pension schemes of the United Nations and the United States federal civil service (ICSC/87/R.2). The study compared the income replacement ratios (ratio of pension to net salary) provided under the United Nations and United States schemes for sample staff members with similar service and earning history. It was noted that the results of the study were similar to those reported in 2012 and that replacement ratios for the benefits provided under the Pension Fund remained comparable to the benefits provided under the Federal Employees Retirement System scheme for similarly compensated staff members even under the most conservative investment return scenarios, with the United States scheme having potentially higher benefits depending on the investment returns of the United States Thrift Savings Plan.

The Commission took note of the differences in the pension schemes of the United Nations and United States and was satisfied that the income replacement ratios for the United Nations and United States staff were comparable. It was also mentioned that the Federal Employees Retirement System had recently implemented changes to its scheme for new staff hired after 2012 and more changes could be implemented in the near future. Subsequent comparability studies would take those changes into account as appropriate (A/73/30, para 41).

Noting minimal financial effects to the Pension Fund's required contribution rate of proposed changes to pensionable remuneration, the Commission reiterated its initial recommendations and changes to pensionable remuneration as presented at its eighty-sixth session.

The Commission decided to report to the General Assembly that:

(a) Pensionable remuneration for staff in the Professional and higher categories should be calculated using the unified salary scale, without the addition of the spouse allowance;

(b) The current formula for calculating the pensionable remuneration of staff in the General Service and related categories should be maintained;

(c) The current grossing-up factors should be maintained;

(d) Pensionable remuneration for all categories should be based on single rates of the common scale of staff assessment;

(e) An additional bracket should be introduced to the single rates of the common scale of staff assessment, and the rates should be revised to: 19, 23, 26, 28 and 29 per cent as shown in Annex *II of A/73/30*.

(f) Pensionable remuneration for ungraded officials should be calculated with reference to the top step of the D-2 level, and the parameters of the current formula should be revised to 85 per cent of the difference between their net remuneration amounts;

(g) The current levels of pensionable remuneration should be protected for any staff members who would otherwise have a lower level of pensionable remuneration following the revision of any elements, including the rates of the common scale of staff assessment;

(h) A five-year review cycle of the common scale of staff assessment should continue;

(i) The major headquarters locations should be maintained for purposes of tax systems referenced for the calculation of the common scale of staff assessment;

(j) The inclusion of Germany as a reference country should be considered in due course and for all elements where headquarters are relevant.

The General Assembly, in its resolution 73/273, approved the recommendations of the Commission contained in paragraph 47 of A/73/30, with effect from 1 January 2019.

SECTION 5.20
SPECIAL INDEX FOR PENSIONERS

1981 **11th session (February/March)**: ICSC resumed its study of pensionable remuneration and pension entitlements as elements of total compensation. At the conclusion of its deliberations, it instructed its secretariat to proceed, in full coordination with the secretariat of UNJSPB, with further investigation of the possibility of a modified post adjustment or special index for pensioners and the possibility of including income tax as an item of expenditure in such an index. This was in response to resolution 34/221, in which ICSC and UNJSPB had been invited to take full account of the views expressed in the Fifth Committee during the 34th session of the GA on the pensionable remuneration and related matters.

Pending the completion of a study on a special index to measure relative cost of living for pensioners, the current post adjustment indices should be used for adjustment purposes in regard to the P and higher categories *[A/35/30, para.75]*. As regards GS category pensioners, an adjustment system of pensionable remuneration for the purpose of determining pension entitlements of staff retiring to high cost-of-living countries was proposed *[A/35/30, para. 86]*.

By **decision 35/447,** the GA requested ICSC, in cooperation with UNJSPB, to give high priority to the elaboration of a special index for pensioners, including the impact of national taxation, and to report thereon to the GA at its 36th session.

13th and 14th sessions (February/March and July): In response to the above request, ICSC examined a document prepared by its secretariat in collaboration with the secretariat of the UNJSPB outlining the alternative means by which the varying rates of taxation in different countries in which the retirees from the UN system reside would be taken into account. ICSC agreed to request ACPAQ to initiate as part of its future work programme a comprehensive study of the various aspects of establishing a special index for pensioners, including the varying rates of national taxation applicable in the case of pensioners. It decided, as a first step, to undertake a study whereby adjustments would be made to cost-of-living differential factors to take into account the effects of lower rates of national taxation in countries where these differential factors have been applied in accordance with the measures approved by the GA at its 35th session. In this connection ICSC noted that the most important element which was absent in the new scheme that had been approved by the GA was the tax element. It noted further that, where the tax rates were substantially lower than the staff assessment rates implicit in the determination of the base pensionable remuneration or where income taxes were totally non-existent, that factor could not be disregarded in measuring the cost-of-living differentials. It agreed that the study of a solution necessary to redress this anomaly should centre around the reduction of the present cost-of-living differential factor in those countries where the rates of taxation on pensions were lower than the tax rates taken into account in the calculation of base pensions, i.e. the staff assessment rates. ICSC agreed that the comparison between taxation and staff assessment rates could be made for that part of the pensionable remuneration which was subject to cost-of-living differential factors, i.e. for pensionable remuneration at grade P-2, step XI. It also agreed that the lower rates of national taxation could be reflected in an adjustment to the cost-of-living differential factor by either; (a) direct reduction in the cost-of-living differential factors; or (b) reduction in the number of classes of PA above the base in the case of retirees from the P category or in the ratio of mid-point net salaries in the case of retirees from the GS category, leading to a corresponding reduction in the cost-of-living differential factor *[A/36/30, para. 26]*.

As to the immediate problem of making adjustments to cost-of-living differential factors to account for lower rates of taxation, ICSC agreed that while a speedy resolution would be highly desirable, the matter required further consideration and consultations. It requested its secretariat to study the issues

further in cooperation with the secretariat of the Pension Board and report at the 15th session. Following consultations with the organizations and staff, specific proposals would be forwarded to the Pension Board for its comments, which would be considered by ICSC at its 16th session. Specific recommendations would be made to the GA at its 37th (1982) session. ICSC agreed that the effective date of its recommendations to the GA would be 1 January 1983. Pensions of all retirees, regardless of the date of retirement, in countries where the cost-of-living differential factors were applied, would be recalculated in accordance with the recommendations to be made to the GA at its 37th session *[A/36/30, paras. 35 and 36]*.

By **resolution 36/233**, the GA requested ICSC to give high priority to the completion of, *inter alia*, the elaboration of a special index for pensioners, in collaboration with UNJSPB, in accordance with GA decision 35/447 (1980) and to report thereon at the 37th session (1982).

1982 **15th session (March)**: ICSC recommended to the GA, in the context of the first phase (adjustments for lower taxes), the following procedure for adjusting cost-of-living differential factors applicable to retirees from the P and higher categories in countries where those factors were applied and where the rates of taxation were lower than those implicit in the amounts of base pensions (the effective date being 1 January 1983, these procedures would be followed on that date and at the beginning of each year thereafter):

(i) Information on the rates of national taxation would be collected for all countries where the cost-of-living differential factors are applied;

(ii) Reductions, if any, based thereon would be applied throughout the year *[A/37/30, para. 40 and annex II]*.

In applying that procedure the following criteria should apply: (a) all calculations should be based on the pension amount of a retiree having a final average remuneration equal to that of P-2, step XI; (b) all calculations should be based on 20 years of contributory service; (c) staff assessment and tax amounts should be calculated at the dependency rates; (d) staff assessment should be used for the conversion of gross base pensions to their net equivalents; (e) national (federal), state and local taxes should be taken into account for comparison with staff assessment; (f) the reduction factor should be applied directly to the cost-of-living differential factors. Details of application in accordance with the decisions taken would have to be determined by the UNJSPB *[A/37/30, para. 43]*.

ICSC also decided to recommend to the GA that no reduction factor should be applied to retirees from the GS and related categories *[A/37/30, para. 41]*.

By **resolution 37/126**, the GA approved the adjustment procedures recommended by ICSC, as well as the recommendation that no reduction factor be applied to the retirees from the GS and related categories.

1983 **17th session (March)**: ICSC considered that: (a) a special index for pensioners, excluding in the first instance the impact of national taxation, could be developed and used in place of the post adjustment index currently utilized for the determination of cost-of-living differential factors under the scheme approved by the GA at its 35th session. A comparison of national taxation rates with those applicable at the base of the system (New York) would be undertaken only for countries where the application of the special index resulted in an increase in the pensions of retirees in those countries under the currently applicable scheme. In instances where pensions of retirees from the UN system were not taxed or were taxed at rates substantially lower than those applicable at the base of the system,

downward adjustments to the cost-of-living differential factors would be made. That procedure would be precisely the same as that currently applied, except that special indices for pensioners rather than post adjustment indices would be used for the determination of cost-of-living differential factors; (b) alternatively, a special index for pensioners based on a comparison of all items of expenditure, including taxes applicable on pensions, might be constructed and used for the determination of cost-of-living differential factors. This would be a single-phase approach where differences in costs relating to consumables, housing, medical costs, taxes and so on would be compared and taken into account together *[A/38/30, para. 15]*.

In considering these above two alternatives, ICSC recalled that the GA had requested it to develop a special index for pensioners that would not result in additional costs. It noted that the number of countries where retirees would be eligible to receive pension supplements would be greater under alternative (b) than under alternative (a), i.e., the current procedure. Consequently, a greater number of retirees would become eligible to receive pension supplements under alternative (b) than under alternative (a). Since the application of a special index for pensioners should not result in additional costs to the organizations, the application of alternative (b) would further reduce benefits granted to retirees under the Washington formula. ICSC therefore agreed to maintain the current procedure, which would not involve additional costs, whereby comparison of the rates of national taxation with those applicable at the base of the system would be undertaken only in instances where the application of a special index for pensioners, arrived at by comparison of all elements of expenditure with the exception of taxes, resulted in upward adjustments to pensions. In those cases the impact of zero or lower rates of taxation would be taken into account by making appropriate downward adjustments to cost-of-living differential factors applied under the Washington formula *[A/38/30, paras. 15 and 16]*.

By **resolution 38/232**, the GA approved the development of the special index for pensioners as recommended by ICSC.

1985 **22nd session (July)**: ICSC made the following recommendations on the construction of a special index for pensioners: (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 the 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 GA; (e) the first-phase solution, approved by the GA on the recommendation of ICSC, 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 substantially lower than the rates of staff assessment *[A/40/30, para. 143]*.

1994 **40th session (June/July)**: ICSC had before it a document held over from the previous session that had been prepared by its secretariat in collaboration with the secretariat of UNJSPB *(ICSC/39/R.8)*. It was recalled in the document that in 1991 UNJSPB had requested ICSC to inscribe on its work programme a review of the provisions of the special index with a view to formulating recommendations on the matter, in cooperation with the Board, for submission to the GA in 1994. That request was related to an agreement reached in the Pension Board as part of the consensus on changes to the "Washington

formula" *[A/49/30, paras. 14-15]*. ICSC recalled that the special index for pensioners, as currently applied, was geared to adjusting COLD factors determined under the original Washington formula approved in 1980. The changes in that formula approved by the GA in 1991, while retaining the basic conceptual framework of the original Washington formula, had substantially liberalized the arrangements. It was also recalled that the methodology for determining the scale of pensionable remuneration of Professional and higher category staff had been changed in 1987 (see section 5.10).

ICSC also noted that various interested parties had requested that the following specific elements be taken into account in the current review: (a) treatment of taxes, including the rates to be used in special index calculations; (b) threshold for the application of the special index: in that context a view had been expressed that the special index, which resulted in the reduction of the COLD factor, should be applied only where taxes on pensions were substantially lower than staff assessment rates. ICSC was of the view that it would be essential to undertake an in-depth review of the following: (a) the current procedure for calculating the special index for pensioners; (b) the appropriate level to be used to compare staff assessment with taxes in the country of residence; (c) the years of contributory service used in special index calculations; (d) consistency of treatment as regards deductions in tax calculations used for special index calculations and those used to determine staff assessment at the time of the next review of staff assessment due in 1996.

ICSC considered that, in the light of the change in the final average remuneration (FAR) limit for the application of the COLD factors under the Washington formula, a case could be made for changing the level used to compare staff assessment with the taxes imposed in the country of residence for the purposes of the special index. The other issues raised, however, lent themselves to consideration in the context of the comprehensive review of pensionable remuneration and consequent pensions planned for 1996 (see section 5.10). Considering that the current special index system had been implemented in 1985 (i.e., four years after the original Washington formula had gone into effect) and bearing in mind that the number of retirees affected by the special index was fairly small, ICSC considered that there was no pressing need to change at the current time one of the elements of the special index scheme. It therefore agreed that all aspects of the special index would be addressed as part of the 1996 review of pensionable remuneration and consequent pensions, and decided to report to the GA accordingly *[A/49/30, paras. 24-29]*.

1996 **43rd session (April/May) and 44th session (July/August):** ICSC addressed the following aspects of the special index: (a) the current procedure for calculating the special index; (b) the level used to compare staff assessment; (c) the number of years of contributory service used in special index calculations; (d) consistency in the treatment of deductions in the tax calculations used in special index calculations; in relation to the deductions used to determine staff assessment. For all practical purposes, substantive consideration of the issue was completed at the 43rd session. The tentative conclusions reached by ICSC at that session were considered by UNJSPB at its July 1996 session. The Board concurred with ICSC's tentative conclusions, which ICSC reaffirmed at the 44th session *[A/51/30, para. 109 and 113]*.

ICSC recommended to the GA that: (a) the two-step procedure for calculating the special index for pensioners should continue to be used; (b) the number of years of contributory service used in special index calculations should be maintained at 20;(c) the level (grade and step) at which comparisons are made between staff assessment and taxes imposed in the country of residence, should be maintained at P-2, top step; (d) the calculation of local taxes in the two-step procedure should continue to be based on deductions relevant to retirees; (e) dependency rates of taxation in the special index calculations, should continue to be used *[A/51/30, para. 122]*.

The GA, in **resolution 51/217**, took note of the review carried out by ICSC and the Pension Board of the provisions of the special index for pensioners and approved the agreed recommendations of ICSC and the Board that the current provisions should be maintained.

SECTION 5.30
RETIREMENT AGE (MANDATORY)

1982 **15th session (March)**: ICSC discussed GA **resolution 36/118** which dealt with the intention of the United Nations Joint Staff Pension Board (UNJSPB) to undertake an analysis of all possible measures to improve the actuarial balance of the Fund and which, *inter alia*, requested UNJSPB, in cooperation with ICSC where necessary, to consider alternative courses of action that might be taken *[A/37/30, para. 49]*.

16th session (July): ICSC reviewed a document by its secretariat *(ICSC/16/R.20)*, which analysed the personnel policy implications of one of a series of proposals developed by the UNJSPB Standing Committee for eventual review by the Pension Board at its annual meeting. This proposal aimed at raising to age 62 the mandatory age of separation from service, as established in various staff regulations *[A/37/30, para. 49]*. ICSC did not consider that it could pronounce itself on the actuarial benefit of the proposal under discussion, and it noted that UNJSPB itself had so far not taken a position on the deferment of the mandatory retirement age. It recommended to the GA not to take any decision on the deferment of the mandatory age of separation from 60 to 62 until it had received ICSC's views on the matter, since ICSC wished to undertake an examination of the issue in the broader context of an overall retirement policy *[A/37/30, paras. 49 and 50]*.

By **resolution 37/131** concerning the report of the UNJSPB, the GA requested ICSC in cooperation with UNJSPB, to undertake the study of the age of separation and of retirement in all member organizations, bearing in mind all the relevant resolutions of the GA, together with the views expressed in the Fifth Committee, and to submit proposals based thereon to the GA at its 38th session.

1983 **18th session (July/August)**: ICSC reviewed a document prepared by its secretariat *(ICSC/18/R.25)*, which provided an overview of existing retirement benefits in the UN common system, including insurance and health provisions, as well as a summary of the main recommendations related to retirement made by the World Assembly on Aging held in 1982 in Vienna. The document furthermore recalled some of the conclusions reached by the ILO on the humanitarian aspects of aging, and made specific recommendations concerning pre-retirement programmes. Finally, the document addressed the mandatory age of separation in the light of its impact on career development and geographical distribution *[A/38/30, paras. 151 and 152]*. The majority felt that there were no compelling arguments from the viewpoint of personnel policy to raise the existing mandatory age of separation. In arriving at that conclusion they stressed the question of the compatibility of such a measure with the efforts made by many organizations to achieve an equitable geographical distribution of staff. In addition, they expressed concern that such a measure would in many cases come in the way of career development of the staff. In that context, they took into account the position of the UN, as indicated by the ASG for Personnel Services during the discussion of the item, that any change in the mandatory age of separation at the current stage would be in direct contradiction of the UN recruitment plan *[A/38/30, paras. 165 and 166]*. ICSC decided not to recommend to the organizations any change at that stage in the existing mandatory age of separation *[A/38/30, para. 168]*.

When discussing ICSC's view at the 38th session of the GA, the Fifth Committee was also divided on the issue and the majority felt that maintaining the current situation was preferable. Consequently, the GA took no action, so that the existing policies continued. ICSC also considered the views of the organizations and the staff, as well as the relevant recommendations of the World Assembly on Aging, and decided to recommend to the organizations of the common system that they: (a) regard preparation for retirement as an ongoing process and facilitate the transition from active work to retirement for their staff by consideration of appropriate measures; (b) ensure that all staff members receive full information on provisions for retirement well in advance of their departure from the work force; (c)

provide pre-retirement training programmes, which should address, *inter alia*, material problems, health issues and the future use of time, particularly leisure time *[A/38/30, paras. 168 and 169]*.

1984 In considering the report of UNJSPB and in particular the actuarial situation of the UNJSPF, the GA, by **resolution 39/246**, deferred action on the question of changing the statutory age of separation.

1985 In **resolution 40/244**, the GA requested ICSC to re-examine the question of the mandatory age of separation from service of staff of organizations of the common system and to report thereon to the GA at its 41st session.

1986 **24th session (July)**: The ICSC secretariat presented a document in which it reported on a number of considerations for review by ICSC *(ICSC/24/R.14)* when it reexamined the age at which staff had to retire (the mandatory age of separation from service being age 60 for the UN and nearly all other organizations participating in the work of ICSC). These included considerations of geographical distribution (for P staff) the life expectancy and health of staff, the efficiency of the staff and the effectiveness of the secretariats, the question of whether it should be the prerogative of executive heads or of individual staff members to decide whether to continue in service past the age of 60, the career development of staff, the accumulation of pension benefits of new staff recruited after 1 January 1983 compared with staff in service before then, the actuarial implication for the UNJSPF and the financial implications for the organizations *[A/41/30, para. 141]*.

Some members supported raising the mandatory age of separation from service from 60 to 62 because, in their view, age 60 was by no means the maximum age for productivity; however, they also felt that this was not the appropriate time to do so. Other members did not support raising the mandatory age of separation from service because, in their view, this would adversely affect geographical distribution of staff, career development opportunities for staff and the possibility of attracting new blood into the organizations. Several members also felt that it was not appropriate to consider the question of the mandatory age of separation from service without, at the same time, considering the question of the statutory age of retirement. In view of a subsequent statement made by the Secretary of UNJSPB that the question of the statutory age of retirement fell within the mandate of the Pension Board, one member proposed that the two questions would be worth examining concurrently at an appropriate time by the competent bodies. ICSC decided to defer further consideration of the question of the mandatory age of separation from service until a more appropriate time *[A/41/30, paras. 151 and 152]*.

1987 **26th session (July)**: By **resolution 41/213** the GA had requested the SG to transmit a number of recommendations of the "Group of 18" to ICSC for advice. In response to recommendation 52, ICSC reiterated its view that the mandatory age of separation from service should meanwhile be applied as strictly as possible pending its expected review of the subject *[A/42/30, para. 45(g)]*.

1989 **30th session (August)**: ICSC was informed of measures that UNJSPB had decided to recommend to the GA to restore the actuarial imbalance of the Pension Fund. Among these was a proposal to increase the normal retirement age for new participants in the Fund from 60 to 62. The reasons for applying the change only to new staff members related to (a) legal concerns regarding elimination of the right of existing staff members to retire at age 60; (b) the position taken by some UNJSPB members that any change in the normal retirement age should not create difficulties as regards recruitment programmes or human resources development plans. ICSC was also informed of CCAQ's view that if the age of retirement were increased for certain participants, the age of separation would have to be increased for those same participants. Most ICSC members were of the view that the mandatory age of separation

should be increased to age 62 for all staff. Application of the higher age limit to existing staff would not affect their right 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 to new staff members, these ICSC members took the view that all organizations should adopt age 62 as the mandatory age of separation for new staff members as a first step. As the eventual goal should be to have the same mandatory age of separation applicable to all staff, ICSC considered that executive heads should demonstrate, to the maximum extent possible, flexibility in considering the retention of staff until age 62 pending a further recommendation from ICSC in this regard. Some members reserved their position in view of the effects of such a change on career prospects for staff in general and for women in particular, as well as on equitable geographical distribution.

ICSC recommended to the GA 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. It also decided that it would monitor the situation and report to the GA as appropriate *[A/44/30, vol. I, para. 58]*.

By **resolution 44/185**, the GA approved the above recommendation for the UN, making 62 the mandatory age of separation for staff appointed on or after 1 January 1990. Age 60 would continue to apply to staff in service before that date. By **resolution 44/198**, the GA commended to the attention of governing bodies of the organizations of the UN common system the ICSC recommendation to increase the mandatory age of separation to 62 for staff members entering into service on or after 1 January 1990.

1996 **43rd session (April/May)**: In the context of its comprehensive review of pensionable remuneration *(see section 5.20)*, ICSC examined actuarial comparisons of the comparator's two pension schemes (CSRS and FERS) *vis-à-vis* the common system pension scheme, and *inter alia* considered the issue of the mandatory age of separation applicable in the common system (which did not exist for staff of the comparator). It recalled that in the context of its total compensation comparisons with the comparator conducted in the 1980s, it had concluded that the ability of the comparator's staff to continue working and accumulating pension benefits, without a requirement to separate at a specific age, represented an advantage for comparator staff. That advantage was not reflected in the actuarial analyses. ICSC recalled that it had developed a specific calculation method to take account of this advantage in its total compensation comparisons with the comparator. If that advantage were quantified, as had been done in the total compensation comparisons, both CSRS and FERS would show somewhat higher pension benefit values *[A/51/30, para. 41]*.

On the basis of the actuarial analysis of pension schemes covering staff of the comparator and the common system, ICSC concluded that: (a) the pension benefits available to staff of the comparator under CSRS (applicable to staff hired prior to 1984) were approximately equivalent to those available to common system staff under the pre-1983 UNJSPF scheme and better than those under the modifications made in the UNJSPF plan since 1983; (b) the pension benefits available to staff of the comparator covered by the FERS scheme (which is applicable to staff hired in 1984 or later) were approximately equivalent to those of common system staff hired under current provisions of the UNJSPF scheme; (c) the pension benefit values of both CSRS and FERS would have been credited with an additional value had ICSC considered differences in career lengths between the comparator and the common system, as had been considered under ICSC's total compensation methodology *[A/51/30, para. 44]*.

2009 **69th session (June/July)**: Under this item, ICSC considered a document [ICSC/69/R.2] prepared by the Human Resources Network of the United Nations System Chief Executives Board for Coordination (CEB) in response to a recommendation by the Joint Inspection Unit that the Secretary-General of the

United Nations should initiate a review, with the involvement of the United Nations Joint Staff Pension Board and ICSC, of the possibility of changing the mandatory age of separation. The document contained an overview and analysis of data and practices relating to the separation/retirement age. The Human Resources Network informed the Commission that based on the extensive discussions which had followed the issuance of the document, it was proposing that:

(a) The age of separation for all current staff members would be set at 62 by 1 January 2012;

(b) Staff currently eligible to retire at 60 would retain that right with full retirement benefits or remain in service until the age of 62.

The Human Resources Network further informed the Commission that a few organizations had expressed concern about the proposal owing to current operational requirements.

In addition, the Human Resources Network agreed to review the possibility of raising the mandatory age of separation to 65 for all staff members once the Pension Fund had completed its actuarial study in 2010. The Network would also examine innovative and flexible modalities in applying the mandatory age of separation, such as phased or flexible retirement, part-time work and other arrangements, and would report to ICSC by the end of 2010 with further proposals on the matter.

In conclusion, the Commission requested its secretariat, in cooperation with the organizations and the Pension Fund, to prepare a comprehensive report on the possibility of changing the mandatory age of separation, taking account the various implications in the human resources and pension areas such as geographical distribution, gender balance, rejuvenation of the workforce, career development and succession planning, the actuarial situation of the Pension Fund and the financial situation of the organization. The Commission decided to revert to the issue at its seventy-second session.

In **resolution 64/231** the General assembly requested ICSC to report to it, at its sixty-sixth session, on the results of the comprehensive analysis of the possibility of changing the mandatory age of separation, including the implications in the areas of human resources policies and pensions, and further requested that the Commission report to the Assembly at its sixty-sixth session with advice and recommendations on succession planning within the common system.

2012 **75th session (July):** The Commission was presented with document ICSC/75/R.4 by its secretariat which was accompanied by a study on the mandatory age of separation, carried out by a working group convened by the High-level Committee on Management of the United Nations System Chief Executives Board for Coordination. The Commission was also provided with information on the current use of the mandatory age of separation in the organizations of the common system.

The Chief Executive Officer of the United Nations Joint Staff Pension Fund also made a presentation to the Commission regarding the decisions of the Board of the Pension Fund on normal retirement age. At its fifty-ninth session, in July 2012, the Board, upon advice from the Fund's consulting actuary and committee of actuaries, on the impact that increased longevity had had on the situation of the Fund, decided that it was ready to increase the normal age of retirement for new participants of the Fund with effect from no later than 1 January 2014 [A/67/30, chapter III, section D].

The Commission decided to:

(a) Support the recommendation from the United Nations Joint Staff Pension Board to raise the mandatory age of separation to age 65 years for new staff of member organizations of the Pension Fund, effective no later than 1 January 2014;

(b) Request its secretariat to work with organizations and staff representatives to prepare a strategic review of the implications of applying the increased mandatory age to current staff members;

(c) Report on the matter at its seventy-seventh session [A/67/30, para. 85].

The General Assembly,

1. Endorsed the decision of the Commission, as contained in paragraph 85 of its report, to support the recommendation of the United Nations Joint Staff Pension Board to raise the mandatory age of separation to age 65 years for new staff of member organizations of the United Nations Joint Staff Pension Fund, effective no later than 1 January 2014;

2. Welcomed the strategic review being undertaken by the secretariat of the Commission, in consultation with organizations and staff representatives, of the implications of applying the increased mandatory age of separation of 65 years to current staff members, and looked forward to considering the outcome of this review at its sixty-eighth session [67/257].

2013 At the seventy-seventh session, the ICSC secretariat presented a document providing a historical perspective on retirement practices in some Member States, examples of increased separation age drawn from the private sector and other international organizations, and various recommendations from United Nation entities, encouraging the continued employment of older persons. In addition, raising the mandatory age of separation to 65 for existing staff would result in cost savings. The consulting actuary of the United Nations Joint Staff Pension Fund had estimated that providing this option to current staff would result in a further reduction in the actuarial deficit in the range of 0.13 per cent of pensionable remuneration, further enhancing the Fund's long-term sustainability. The estimated savings were based on an assumed utilization rate of 70 per cent. Some savings could also be attained by organizations in the form of deferred recruitment costs. The document also concluded that well-targeted human resources policies would be the most appropriate response. To address any implications for human resources issues, such as performance management, rejuvenation of the workforce, gender and geographical balance as a result of raising the mandatory age of separation for existing staff.

The Commission decided to recommend to the General Assembly that it raise the mandatory age of separation to age 65 for current staff members effective 1 January 2016. (A/68/30, para 76).

The General Assembly

Inter alia, decided to defer its decision on the recommendation of the Commission to raise the mandatory age of separation to 65 years without prejudice to its proposed time frame, and requests the Commission to undertake further analysis, in consultation with all relevant stakeholders, on the impact of the adoption of this recommendation on workforce and succession planning frameworks and all relevant human resources management policies, including performance management and appraisal, rejuvenation, gender balance and equitable geographic representation, across the United Nations common system and to report thereon at its sixty-ninth session; (A/RES/68/253).

2014 At its seventy-ninth session, the was provided with a report by its secretariat of the potential impact of increasing the mandatory age of separation to 65 years of age for current staff members. The costs to organizations and the impact on various human resources outcomes were discussed. The secretariat's analysis posited that an increase in the mandatory age of separation could delay some organizational programmes, but that there would be an overall benefit to the common system and that the impact on human resources outcomes would be minimal.

The report drew attention to life expectancy trends in the common system, and to trends in many Member States, of increasing the retirement age in line with longer life expectancy in order to preserve their respective pension funds. Increasing the mandatory age of separation for current United Nations staff would lead to a reduction in the actuarial deficit of the United Nations Joint Staff Pension Fund, which had been estimated by the consulting actuary of the Fund to be in the range of 0.13 per cent of pensionable remuneration, or $13.5 million per year. In addition, the report cited the report of the Secretary-General, in which it was reported that an increase in the mandatory separation age to 65 years for current staff would translate to an estimated reduction of $30.9 million in after-service health insurance liabilities (see A/68/353, para. 26).

The Commission decided to inform the General Assembly that it had conducted the analysis requested by the General Assembly and reported its findings and the positions of the various stakeholders to the Assembly. (A/69/30, para. 119).

The General Assembly

Took note of the analysis undertaken by the Commission, as requested in General Assembly resolution 68/253, on the impact of the suggested change in the mandatory age of separation on workforce and succession planning frameworks and all relevant human resources management policies; and Decided to raise the mandatory age of separation to 65 years for staff recruited before 1 January 2014, taking into account the acquired rights of staff, and requested the Commission to revert to the General Assembly with an implementation date at its earliest opportunity, but no later than the seventy-first session of the General Assembly, after consultations with all the organizations of the common system; (A/RES/69/251).

2015 The Chair of the Commission had written to the executive heads of the organizations informing them of the above referenced decision of the General Assembly and inviting them to present their views on the matter, including on a suitable implementation date. The executive heads pointed to the negative impact that an increase in the mandatory age of separation for current staff would have on efforts within organizations to rejuvenate and reprofile their workforces in terms of skills, gender parity and geographical distribution, as well as efforts to reduce staff costs. The executive heads considered a range of implementation dates from 2017 to 2020, with the majority stating that the date could not be earlier than 1 January 2018, given that the budgets and work programmes of their respective organizations for 2016 and 2017 had already been approved by their governing bodies.

The representative of the three staff federations were of the view that the implementation date should remain effective 1 January 2016, as originally recommended by the Commission.

The Commission recommended to the General Assembly that the implementation date for raising the mandatory age of separation to 65 years for staff recruited before 1 January 2014 be during 2016 and by 1 January 2017 at the latest and take into account the principle of acquired rights. (A/70/30, para.28).

The General Assembly

Decided that the mandatory age of separation for staff recruited before 1 January 2014 should be raised by the organizations of the United Nations common system to 65 years, at the latest by 1 January 2018, considering the acquired rights of staff**;** (A/RES/70/244).

2016 In the context of its review of the resolutions and decisions adopted by the General Assembly at its seventieth session relating to the work of the Commission, the Commission at its eighty-second session discussed the issue of the date of implementation of the new mandatory age of separation of 65 years for staff joining the common system prior to 2014. Members of the Commission supported the desire of the staff that the policy be implemented sooner rather than later. They called attention to resolution 70/244, in which the General Assembly accorded organizations the opportunity to do so before 1 January 2018. Participants were also reminded that the acquired rights of staff had to be respected. (ICSC/82/R.7, para. 28).

2017 In the context of its discussions on the monitoring of implementation of decisions, the Commission noted the different dates of implementation by some organizations on the Mandatory Age of Separation. It was noted that without the implementation of its decisions there was no point in having a common system.

The Commission requested that organizations that had not yet done so to take appropriate measures to implement the mandatory age of separation of 65 for staff who had joined before 1 January 2014. (A/72/30, para. 19(b)).

The General Assembly,

Noted with concern n that some organizations had decided not to implement the decisions of the Commission regarding the results of the cost-of-living surveys for 2016 and the mandatory age of separation; The Assembly, inter alia, further requested the Commission to recommend appropriate measures to deal with those organizations which do not cooperate fully with the Commission and to report thereon no later than at the seventy-fourth session of the General Assembly; (A/RES/72/255).

2018 The Commission was presented with information from 22 organizations in the context of monitoring of implementation of decisions of the Commission, the General Assembly and the legislative or governing bodies by the organizations of the common system. It was noted with regard the mandatory age of separation for staff who joined the organization prior to 1 January 2014, while many of the organizations had implemented the mandatory age of separation as approved, some organizations had decided to use different implementation dates. (A/73/30, para. 18).

The General Assembly,

Noted with concern that about the mandatory age of separation for staff having joined the organizations prior to 1 January 2014, while many of the organizations have implemented the mandatory age of separation as approved, some organizations had decided to use different implementation dates. The Assembly further reiterated its request to the Commission to recommend appropriate measures that would deal with those organizations not in compliance with the Commission’s decisions and recommendations and to report thereon to the General Assembly at its seventy-fourth session; (A/RES/73/273).

SECTION 5.40
OTHER PENSION MATTERS

1977 **5th and 6th sessions (February/March and August/September)**: ICSC set up a combined study of: (a) the methodology for evaluating total compensation *(see also section 3.1.50)* and (b) the comparative value of UN pension benefits and those of the US civil service. Having decided to link the two studies together, ICSC commissioned a consultant firm to make the comparison of pension benefits between the two systems and to propose for ICSC's consideration a methodology for extending the comparison to all other benefits. At its sixth session, it took decisions about the scope of the study and the way it should be carried out *[A/32/30, paras. 58-60]*.

The comparative study of the value of US and UN pension benefits which ICSC had noted was designed to encourage and reward long service. Moreover, it could safely be assumed that those relatively few employees who did join the service in mid-career or leave it after a few years would have, or would be able to obtain, pension coverage through their previous or subsequent employment. The situation in the UN system was very different: staff who served for less than a full career were the majority. Moreover, it could not be assumed that all of them would be entitled to social security benefits or a pension from elsewhere. The UN system thus had to ensure that adequate provision was made for the surviving dependants of its employees (should they die in service) and for their pension upon retirement after less than a full career. In ICSC's opinion, the slight superiority of the UN pension scheme thus reflected properly a difference in the staff needs, patterns and policies of the two systems. That such differences should be taken into account in making decisions about the UN pension scheme had always been recognized. To compare UN pension benefits with those of the US civil service as part of a total package of compensation in the "Noblemaire comparison" did not mean that each particular benefit must necessarily be aligned on that of the comparator service, regardless of differences in the characteristics of the two services. In fact, the GA, in taking decisions about the UN pension scheme, had never set out to model it on that of the US. The successive pension review bodies whose advice the GA had taken as the basis of its decisions had affirmed that the UN pension scheme should be comparable to those of the major HQ countries. It had been recognized that this must be so if the UN system was to be able to attract qualified staff from many countries. National pension schemes in some countries, particularly the European HQ countries, tended to be better than that of the US. In the eyes of a potential recruit, even a satisfactory level of remuneration during service might not compensate for pension provisions which were markedly less favourable than those he would be entitled to if he remained in the service of his own Government *[A/33/30, paras. 110 and 111]*.

1978 **7th and 8th sessions (February/March and July)**: In examining the consultant's study, ICSC noted that, given the difficult patterns of service in the two systems, it was normal and proper that the UN pension system should provide better protection for those who served for less than a full career. In the US civil service (as in most other national civil services), the pension scheme was designed to encourage and reward long service (e.g. through the progressive rate of accumulation and the high limit on maximum accumulation, namely, 80 per cent as compared to 62 per cent in the United Nations scheme). The UN system was very different; both by design and by necessity, staff who served for less than a full career were the majority. It therefore had to ensure that adequate provision was made for the surviving dependants of its employees should they die in service or for their pension upon retirement after less than a full career *[A/33/30, para. 110]*.

ICSC concluded that UN pension benefits bore substantially the same value in relation to UN net pay as US civil service pension benefits did to US net pay; in other words, if pension benefits were included in the comparison of benefits in addition to net salary, the result would not be significantly different than if net salary alone was compared. For the purposes of the "Noblemaire comparison", therefore, the inclusion of pension benefits was not vital. It was pointed out, however, that the

conclusion that US and UN pension benefits were for all intents and purposes equal related only to the circumstances in which the "Noblemaire comparison" between a US civil servant working and retiring in his own country and a UN official posted in New York and who, for the purposes of the comparison, was assumed to retire also in the US. It provided no answer to the quite distinct question of whether a UN pension, the level of which was found to be comparable to that of the US civil service, would also be found to be appropriate in every country other than the US where a staff member might take his retirement *[A/33/30, para. 113]*.

1989 **30th session (July/August)**: ICSC noted that at its recent session the ITU Plenipotentiary Conference had adopted a resolution concerning adjustment of pensions of ITU staff. In the resolution, the Conference *inter alia* requested the Administrative Council to: (a) follow the development of the situation carefully in order to ensure that ITU views were fully and appropriately reflected in the common system bodies responsible for pension matters; (b) 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) 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 ITU/SG to transmit the text of the resolution to the UN/SG and to the UN bodies responsible for staff conditions of service and remuneration, including pensions. The ITU/SG had transmitted to the UNJSPB Secretary a copy of the above-mentioned resolution. ICSC was not directly informed of developments within ITU concerning these matters *[A/44/30, vol. I, paras. 45 and 46]*.
ICSC noted that UNJSPB [at its 38th session] had agreed that solutions to pension problems should be sought within UNJSPF. ICSC 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 UN common system would not be weakened. ICSC 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 ICSC statute *[A/44/30, vol. I, paras. 48-49]*.

1991 **33rd session (March)**: The ICSC Chairman informed members that he had received a letter from the ILO/DG indicating that the Administrative Council had agreed to an amendment to the ILO staff regulations with a view to converting the provision into a mere standard reference to the relevant provisions of UNJSPF regulations. That decision was coupled with the establishment of a Voluntary Thrift Benefit Fund for ILO officials. The Fund was entirely voluntary and was not to be made a statutory or contractual employment condition for officials. During the deliberations of the Administrative Council, it had been agreed that UNJSPB and ICSC should be officially informed of the establishment of the Fund. ICSC noted that, in response to a recommendation from the Pension Board, all organizations, with the exception of the ILO, had adapted their staff regulations whereby the definition of pensionable remuneration for all categories of staff was embodied in the regulations of the Fund under article 54 and a cross-reference to that article of the Fund was provided in the regulations of the individual organizations. ILO, however, had not followed this route and had maintained the definition of pensionable remuneration for all categories of staff under article 3.1.1 of its regulations. ICSC was therefore of the view that the difficulties currently faced by ILO were a direct consequence of the abovementioned decision taken by the ILO administration in 1980.

ICSC concluded that: (a) the ILO administration had found itself in a delicate situation *vis-à-vis* the amendment of staff regulation 3.1.1. Further, the ILO administration was endeavouring to follow the common system as regards the definition of pensionable remuneration. The decision by the ILO Governing Body concerning the establishment of the Voluntary Thrift Benefit Fund was the result of difficult negotiations among all parties concerned; (b) it was faced with a decision by the ILO Governing Body which had been taken without prior consultations with ICSC; (c) it would take note of

the decision of the ILO Governing Body and express concern at the decision; (d) it would note that the scheme was a part of an overall package designed to remove definitively a serious contradiction in staff regulations specific to the ILO and that as such the ILO decision should not be invoked as a precedent by other organizations or even by the ILO itself; (e) the decision by the ILO Governing Body should concern only staff members affected by the change in staff regulation 3.1.1, with effect from 27 February 1991; (f) it would take note that a one-time emolument of $4,875,000 to the ILO Savings Plan was to be made by the Member States *[A/46/30, vol. I, paras. 31 and 32] [reported also in 33rd session report, ICSC/33/R.16, paras. 140-153]*.

In June 1991, the GA decided to reopen its consideration of the items dealing with the UN common system and the UN pension system. These items were allocated to the Fifth Committee, which considered: the decision of the International Labour Conference to proceed with the proposal to establish a Voluntary Thrift Benefit Fund; the decision of the ITU Adminstrative Council to implement unilaterally a pension purchasing power protection insurance plan (PPPPIP), and the decision of the ITU/SG to grant a special post allowance to HQ staff at the P and D levels *(this latter question is covered in section 12.10)*. By **resolution 45/268**, the GA: (a) recalled resolution 44/199 (1989), by which it had endorsed the conclusions of UNJSPB that the ITU proposal should be studied as one possible long-term approach to the adjustment of pensions in local currency terms and that ITU should not proceed with the implementation of its proposal as that would weaken the UN common system; (b) expressed concern about the potential impact on the UN common system and the UN pension system of the decision taken by the ILO International Labour Conference to proceed with its proposal to establish a voluntary thrift benefit fund and of the decision of the ITU Administrative Council to implement unilaterally a pension purchasing power protection insurance plan; (c) expressed deep concern and regret at the actions taken unilaterally by ITU and the ILO without due regard for their obligations under the UN common system; (d) requested ICSC and the UNJSPB to examine the basis for the decisions taken by ITU and the ILO and their implications for the common system, within the context of their respective relevant work programmes, and to report thereon to the GA at its 46th session.

34th session (August): ICSC was informed by the ILO that, at its 78th session (June 1991), the International Labour Conference had adopted a resolution authorizing the financing of the Voluntary Thrift Benefit Fund. The ILO staff regulation concerning the definition of pensionable remuneration had been amended and the statute of the Fund and the regulations had been adopted recently by the ILO and submitted to ICSC *[A/46/30, vol. I, para. 32]*.

As regards the ITU decision on PPPPIP, ICSC noted that the Pension Board had dealt with this matter under its mandate *[A/46/30, vol. I, para. 18]*.

In **resolution 46/191A,** the GA: (a) regretted that the decision of the ILO Governing Body to establish a Voluntary Thrift Benefit Fund had been taken without prior consultation with ICSC; (b) stressed that the action should in no way be invoked as a precedent by other organizations of the common system or by the ILO itself.

SECTION 5.50
PENSIONABLE REMUNERATION (UNGRADED OFFICIALS)

1990 **32nd session (July/August)**: As part of its comprehensive review of PR of staff in the P and higher categories, ICSC was informed that article 54 (b) of the Pension Fund's Regulations, which incorporated an appendix setting out a scale of PR for participants in the P and higher categories, failed to define, *inter alia*, the PR of ungraded officials, e.g., the executive heads of specialized agencies. After Legal Counsel advice, ICSC decided that it would not address the matter of the PR of ungraded officials as it had neither the statutory authority nor the mandate from the GA to do so *[A/45/30, paras. 44 and 49]*.

By **resolution 45/242**, the GA noted the ICSC's decision with respect to PR and pensions of ungraded officials, but because of divergent practices that had emerged, requested ICSC and the Pension Board to review the subject again and submit recommendations thereon at its 46th session.

1991 **33rd and 34th sessions (March and August)**: As requested by the GA, ICSC, in cooperation with UNJSPB, reviewed the methodology for the determination of the PR of ungraded officials, including the executive heads of the organizations that were participants in UNJSPF. ICSC recommended to the GA and the governing bodies of the other organizations participating in UNJSPF that: (a) in the event that the governing body of a member organization decided that its elected officials should not be participants in UNJSPF, the alternative pension arrangements would be for that governing body to determine; in such cases, it would seem appropriate to take into account the terms of office and to establish some comparability in the pension arrangements applicable to such officials in the organizations that formed part of the UN common system; (b) officials appointed or elected to ungraded posts who became participants in UNJSPF should have their PR determined in accordance with the established methodology for their ungraded officials so as to ensure a common system approach to the determination of their PR; decisions taken by each governing body on the PR of its ungraded officials, in application of that methodology on the occasion of comprehensive reviews of the pensionable remuneration of staff in the P and higher categories or soon thereafter, should be communicated to ICSC and the Board; (c) the PR of such officials should be adjusted between comprehensive reviews in accordance with the procedure applicable for adjustment of the scale of PR of staff in the P and higher categories, as set out in article 54 (b) of the Regulations of the Fund; (d) it should be left to the governing bodies to decide whether and how the procedures recommended in (a) to (c) above should apply to elected officials who were currently participants in the Fund, taking into account the need to protect their acquired rights *[A/46/30, vol. I, paras. 51 and 71]*.

By **resolution 46/192**, the GA endorsed the above recommendations on PR for ungraded officials. It also requested ICSC to recommend guidelines for determining and monitoring pension arrangements for ungraded officials who did not become participants in UNJSPF, and to submit recommendations thereon to the GA at its 47th session and to the governing bodies of other organizations of the UN system.

1992 **35th session (March)**: In response to the above request, ICSC had before it a document by its secretariat *(ICSC/35/R.9).* ICSC was informed by CCAQ that at its October 1991 session, ACC had appointed a group of 3 former executive heads to make concrete proposals regarding pension arrangements outside UNJSPB for ungraded officials. If ICSC were to consider the item at its 36th session, it would have, in addition to the secretariat document, the report of the group and the organization's views thereon. ICSC decided to place the matter on the agenda of its 36th session *[ICSC/35/R.17, paras. 81-84]*.

36th session (July/August): ICSC considered the report of the above-mentioned Group *(ICSC/36/R.10)*. It was proposed in the report that the basis for calculating retirement benefits should be the net remuneration applicable to the executive head of a major specialized agency at the base of the system, New York. Other organizations that had provided for net remuneration lower than this figure should base their provisions on these lower amounts. The Group concluded that the income replacement ratio should be 30 if the executive head completed only one term, and 40 after two terms. Governing Bodies could consider increasing the ratio up to a maximum of 50 per cent if the executive head were to serve three terms or more. These retirement arrangements should be contributory *[A/47/30, para. 54]*.

In analysing GA resolution 46/192, ICSC concluded that the GA wished to eliminate divergent practices in respect of the PR of elected ungraded officials and to ensure that new divergences were not created in the future. Further analysis of the resolution indicated that the GA wished to ensure that pension arrangements outside the Pension Fund for elected ungraded officials were such that there would be system-wide comparability. ICSC was of the view that, in determining pension arrangements outside the Fund, some caution must be exercised. If such arrangements were more favourable than the benefit offered by the Fund, that would present the elected ungraded officials with a clear choice and eventually encourage them to leave the Fund. As regards elected ungraded officials currently participating in the Pension Fund, ICSC considered the matter closed since the GA, by resolution 46/192, had endorsed the ICSC recommendations in that respect. These officials could not therefore opt out of the Fund.

ICSC reviewed the following aspects: comparability of pension benefits for ungraded officials not participating in the Fund; determination of pension benefits to be provided outside the Pension Fund; interim adjustment, and other considerations (effective date of payments, surviving spouse's benefit, etc.) *[A/47/30, paras. 56-68]*.

ICSC decided to recommend the following guidelines to the GA and the governing bodies of the other organizations of the common system, if it were decided that their elected ungraded officials should not be participants in the Pension Fund and that alternative pension benefit arrangements should therefore be instituted: (a) these arrangements should be made in such a manner that there would be comparability among this group of officials and, at the same time, a measure of comparability between the pension benefits of these officials and those of similarly situated officials who were participants in the Pension Fund; (b) in arriving at the pension arrangements for the above group of officials, consideration might be given to the following approaches: (i) addition of a certain percentage to the pension benefit of similarly situated officials participating in the Pension Fund *[see alternatives I and II in A/47/30, annex III]*; (ii) enabling the officials in question to make their own pension arrangements along the lines described in paragraph 64 of the annual report; (c) if pension arrangements outside the Pension Fund were to be made within the framework of alternative (b) (i) above: (i) the interim adjustment procedure described under paragraph 65 of the annual report could be considered for adjusting pension benefits in award; (ii) the issues outlined under paragraphs 66 and 67 of the annual report should be considered as an integral part of overall pension arrangements outside the Pension Fund *[A/47/30, para. 69]*.

The GA, in **resolution 47/203**: (a) decided to convey to the governing bodies of the other members of UNJSPF its view that their ungraded officials should become participants in the Fund so as to ensure that, if a governing body decided to make arrangements outside the Fund only the option currently available in the ICAO, as described in para. 64 of the ICSC report would be appropriate; (b) concurred with the UNJSPB decision to defer until its next regular (1994) session, consideration of an amendment to article 54 of the Fund's Regulations to incorporate provisions governing the PR of ungraded officials, in order to allow time for the governing bodies of all member organizations of the

Fund to take up the matters referred to them in GA resolution 46/192; (c) approved, with effect from 1 April 1993, an amendment to the Fund regulations, to extend the ceiling on pensions to ungraded officials, as well as to other participants not currently covered by article 28(d) of the Regulations, but whose PR was greater than that at the D-2 level, top step, in the PR scale appended to article 54 of the Regulations.

1993 **37th session (March)**: In the framework of a report on the implementation of ICSC decisions and recommendations *(ICSC/37/R.13 and Corr.1 and Add.1 and Corr.1)*, ICSC took note of the information provided regarding the PR of ungraded officials *[ICSC/37/R.18, para. 18 (d)]*.

CHAPTER 6
SOCIAL SECURITY

SECTION 6.10
HEALTH AND LIFE INSURANCE

1982 By **resolution 37/126** the GA requested ICSC to examine the need for raising the ratio of contributions by organizations of the UN common system for health insurance of staff members and the question of applying appropriate retroactivity.

1983 **17th and 18th sessions (March and July/August)**: ICSC considered the GA request and was also apprised of the contents of a letter sent by the UN/SG to the Chairman. In response to those requests, it considered the matter of health insurance subsidies. In a document submitted to ICSC at its 17th session *(ICSC/17/R.17/Add.1)* CCAQ outlined the details of the cost-sharing formula applied by the organizations at various duty stations. In a document submitted to ICSC by the UN secretariat at its 18th session, the historical background relating to the matter of health insurance and summaries of the consideration of the issue by the Assembly at various times was provided. The SG, in the light of preliminary decisions at the 17th session, informed ICSC at its 18th session of his intention to make specific proposals to the Assembly on the question of the level of contributions paid by the UN towards the cost of health insurance for its staff, namely a two-thirds/one-third contribution by the organizations and staff, respectively *[A/38/30, para. 99]*.

ICSC examined staff contributions to health insurance as a proportion of net remuneration at the 7 HQ duty stations; it noted that while the 50/50 cost-sharing formula had kept the average staff contributions expressed as a proportion of total net remuneration at reasonably low levels, in some instances those percentages appeared to be too high. In particular, staff contributions to health insurance expressed as a proportion of net salary for staff with dependants amounted to approximately 3 per cent in the case of Geneva and Vienna, while in the case of New York the similar ratio was higher than 6 per cent. ICSC was of the view that that indicated apparent difficulties with the present 50/50 cost-sharing formula in the case of New York. ICSC therefore decided that an average of staff contributions to health insurance expressed as a proportion of net remuneration and weighted by the number of staff members at the 7 HQ locations should be calculated by its secretariat, and requested its Chairman to provide that information to the executive heads of all organizations. It also requested the secretariat to provide it with that information at its 19th session. At duty stations where the ratio of staff contributions to net remuneration was higher than the average ratio for the 7 HQ duty stations, the executive heads might wish to propose to their legislative bodies appropriate cost-sharing formulae that would bring down the ratio of staff contributions to net remuneration at those duty stations to a level in line with the average applicable at the 7 HQ locations. ICSC proposed that its recommendations with regard to the alternative cost-sharing formula referred to above should be implemented with effect from 1 January 1984 *[A/38/30, paras. 105-107]*.

The GA, in **resolution 38/235**: (a) decided that in applying the formula recommended by ICSC and ACABQ, a maximum ratio of 2 to 1 between the share of the organization and the contributor respectively, would be used, on an experimental basis, until the study requested below was submitted to the GA; (b) requested ICSC, as a matter of priority, to study the possibility of providing a range of health insurance plans, including practices in the comparator service, both basic and comprehensive, with deductible clauses, as well as health maintenance organization plans, which could be made available, at lower costs, to contributors, and to report thereon to the GA at its 39th session; (c) further requested ICSC to study the following related matters and to report thereon, preferably to the GA at its 39th session and no later than at its 40th session: (i) fixing a maximum rate of share to be borne by the

organization and the contributor; (ii) making participation in a health insurance plan or plans of the organization mandatory, especially to those not covered by other plans.

In **resolution 38/232** the GA also requested ICSC to undertake a comprehensive review of after-service health care coverage, with particular attention to locally recruited field staff.

1985 **22nd session (July)**: With regard to after-service health insurance, the results of an analysis of data collected from the organizations were considered by ICSC. Based on the data received, two issues were identified for ICSC'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 *[A/40/30, para. 155]*. ICSC endorsed the recommendation that after-service health insurance should be provided to staff members who participated in the UN health care scheme, and recommended that appendix E of the UN Staff Rules 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. ICSC also 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. It 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 *[A/40/30, paras. 162 and 163]*.

1993 **37th session (March)**: ICSC addressed the issue of the cost-sharing formula applicable to common system health insurance schemes on the basis of a document by its secretariat *(ICSC/37/R.14).* It was recalled that ICSC had not readdressed this issue since 1983, although at that time it had envisaged regular reviews. The secretariat's analysis showed that family coverage at the 7 HQ duty stations averaged 4.1 per cent of net remuneration while single coverage averaged 2.1 per cent (comparable 1983 figures were 6.4 per cent and 2.9 per cent, respectively).

ICSC noted that in the 1983 review of this item, the question of whether or not this was a common system issue had been resolved by ICSC in the affirmative. Nevertheless, ICSC once again considered whether this was a common system issue. It seemed to some that ICSC recommendations in this regard could be viewed as micro-management. Some saw this as a common system issue because health care was a significant and costly benefit that was considered a condition of employment and affected competitivity as an employer. An inclination to maintain the prior ICSC decision in this regard was expressed by a number of members.

ICSC noted that staff contributions to health insurance schemes were above the average percentage contributions at 2 locations (New York and Vienna). It noted that the financial implications of changing current cost-sharing formulae were significant; moreover, since staff contributions to health insurance coverage were a feature of the PA system, a change in staff contributions in New York would have some impact on the level of PA at other duty stations. ICSC concluded that, given the results of the analysis, no action was required at this time. It decided to review this issue at some point in the future but did not consider it a priority issue *[ICSC/37/R.18, paras. 187-193]*.

2014 79th session (July): **79th session (July)**: In its resolution 68/253, the General Assembly expressed concern about the long-term sustainability of the after service and asked the Commission to review the apportionment of health insurance premium between the United Nations organizations and participants in the United States. At the same time, in resolution 68/244, the Assembly also asked the Secretary General to undertake a study of the health care for active and retired staff to improve efficiency and contain costs while examining the possibility of broadening the mandate of the United Nations Joint

Staff Pension Fund to include cost-effective, efficient and sustainable administration of after-service health insurance benefits.

ICSC secretariat addressed the issue in document ICSC/79/R.4/Rev.1. In conducting its study, the secretariat reviewed and presented the Commission with the level of contributions from the organizations, staff and retirees. Information on best practices in common system organizations, other international organizations and member states including the comparator was also reviewed and furthermore, data was reviewed from member states where the largest number of retirees resided.

Based on information provided by its secretariat and the discussions held within the Commission, members of the Commission noted that when compared to international organizations like the World Bank and the IMF, the benefits received by the United Nations staff were similar but the employer contributions of those organizations were higher, that is, 75%. The situation was similar in the comparator civil service where employer contributions ranged from 72%-75% depending on the plan selected. In general, the employer contribution among member states surveyed was higher than that of the United Nations and it was pointed out that health insurance was subsidized in many member states and the cost was partly included in taxes.

The Commission decided to recommend to the General Assembly that the current apportionment of health insurance premiums between the Organization and both active and retired staff in United States and non-United States health insurance plans be maintained at their existing ratios.

The General Assembly, in Resolution 69/251, approved the Commission’s recommendation.

CHAPTER 7
CONDITIONS OF SERVICE IN THE FIELD

SECTION 7.10
GENERAL REVIEW OF CONDITIONS OF SERVICE IN THE FIELD

1976 **4th session (July)**: In the context of the review of the UN salary system, ICSC examined the conditions of service in the field. 42 per cent of the staff in the P and higher categories of the common system were employed in "project" conditions, as opposed to service in headquarters offices or in other established offices (regional, area, liaison, etc. offices). These staff members were usually assigned to projects of finite duration, providing assistance to Member States and, for the most part, financed from voluntary sources of funding. They were what is commonly called "field staff". The standard provisions of the common system as regards grading patterns, salary scales and other entitlements applied to them (with only relatively minor variations in some organizations); yet it had always been recognized that their conditions of work and life were in many ways significantly different from those of their colleagues in headquarters or other established offices. Because of the importance to the mission of the UN of the functions they performed, it was essential that the conditions of service be appropriate to attract staff with the special professional qualifications and aptitudes needed *[A/31/30, para. 322]*. ICSC therefore paid special attention throughout the review to attempting to define in what ways, if any, the existing conditions of service did not fully meet the requirements of field service and what changes could be made to contribute to enhancing the effectiveness of the organizations in this major area of their responsibilities. One of the principal difficulties it had encountered in considering selective conditions of service had been that of defining satisfactorily the staff to whom such conditions might apply *[A/31/30, para. 323]*. ICSC concluded that it should make, at the earliest opportunity, a comprehensive study of the conditions appropriate to field service, as opposed to service in headquarters or other established offices. For that purpose it requested information and proposals from ACC, and in particular from those organizations having the largest field programmes, as well as from the staff; it also sought to inform itself of the views of Governments, both those which benefit from programmes of technical cooperation and those which contribute voluntary funds and themselves operate similar bilateral activities. In the meantime ACC and FICSA were encouraged to present to ICSC as early as possible proposals on the question of adequate and equitable compensation for housing costs in field duty stations. *[A/31/30, paras. 327]*.

1977 **5th session (February/March)**: ICSC concluded that it should make, at the earliest opportunity, a comprehensive study of the conditions of "field service" *[A/32/30, para.214]*. It considered a plan for the study. It requested the organizations and the staff representatives to prepare for ICSC their comments, information and possible proposals in time for its 7th session (early 1978). It would report to the GA and other legislative bodies in 1978 *[A/32/30, para. 217]*.

1978 **7th and 8th sessions (February/March and July)**: ICSC considered: Rental subsidy for field staff; Study of the role of experts in development assistance called for by the Governing Council of UNDP and which was being prepared by JIU under an arrangement concluded with it by the Administrator of UNDP; and examined selected entitlements of staff posted away from headquarters duty stations i.e. (a) assignment allowance; (b) installation grant; and (c) education grant travel *[A/33/30, paras. 248-280]*. The ICSC decisions can be found in section 3.30, "Assignment allowance", and 4.30 "Travel, removal and shipment entitlements", respectively. ICSC decided to study education grant travel together with home leave at a later stage and meanwhile recommended no change.

1979 **9th session (February/March)**: ICSC approved a plan for making a study of the possibility of establishing criteria by which duty stations could be classified in terms of the conditions of life and work which prevailed in them *[A/34/30, para. 170]* (for further details, see section 7.20).

1982 **15th session (March)**: ICSC decided to include the consideration of conditions of service in the field in its future work programme and invited the organizations and the staff to submit specific proposals as regards a possible programme of studies in that area *[A/37/30, para. 233]*.

16th session (July): ICSC considered a document prepared by its secretariat in which was outlined a possible range of subjects for consideration. This included, *inter alia*, the possibility of a comprehensive review of allowances, benefits and salary elements paid to field staff, job classification, security of personnel, career development and the problems of mobility *[A/37/30, para. 234]*.

The Chairman referred to his participation in meetings of ACC in which certain executive heads had pressed for immediate action to improve conditions of service of field staff, with particular reference to mobility of staff, as well as to the unanimous decision of ACC to seek improvements in the installation grant and assignment allowance, apart from the separation of the housing element from the post adjustment which would be reviewed separately. The members agreed to increase existing provisions of the installation grant and assignment allowance and to defer consideration of any innovations (such as the payment of pre-departure hotel expenses, extension of the lump sum to headquarters staff in certain circumstances and approval of a regressive scale for the assignment allowance) until examination of the comprehensive review of field conditions at a future session. ICSC decided to take the following action on the basis of the secretariat's document and CCAQ and FICSA proposals: (a) to increase the lump sum of the installation grant for field staff to $600 for staff members and dependants, subject to a total payment of $2,400 per family, with effect from 1 January 1983 (with financial implications for the common system of $2.8 million per annum); (b) to increase the existing assignment allowance provisions payable to staff at the dependency and single rates by 50 per cent with effect from 1 January 1983 (with financial implications for the whole UN common system of $8.725 million per annum); (c) to approve a programme of field studies as set forth in its secretariat's document for the various categories of staff concerned to be considered at its 18th session on the basis of a report and views to be provided by CCAQ, FICSA and its secretariat, with a progress report to be made at the 17th session; (d) to include the UN Field Service (FS) and FS level staff of other organizations in its programme *[A/37/30, para. 242]*.

In **resolution 37/126**, the GA noted that ICSC had started a comprehensive review of conditions of service in the field.

1983 **18th session (July/August)**: ICSC considered documentation presented by its secretariat and by FICSA, which contained a detailed review of conditions of service in the field, both within the UN system and in governmental and international organizations involved in field programmes *(ICSC/18/R.26 and adds. 1-5)*. A number of suggestions were made as to possible improvements that would enhance the mobility of field staff *[A/38/30, para. 117]*.

ICSC identified the areas of security and health as meriting priority consideration. It also decided: (a) to expand the terms of reference of the 1983 Tripartite Working Group on the Classification of Duty Stations according to Conditions of Life and Work to include a comprehensive review of duty stations and of the allowances and benefits currently received by staff, based, *inter alia*, on documentation to be provided by the organizations and FICSA; (b) to request its secretariat, in consultation with CCAQ and staff representatives, to study further the concept of mobility, including a review of the need to introduce or restructure appropriate allowances; (c) to request CCAQ to present proposals to ICSC at

its 20th session or report, as appropriate, on action resulting from consideration of storage and shipment of personal effects, employment of spouses, pre-arrival orientation of staff and their families, communications, including pouch services, and access to improved loan facilities for staff in field duty stations, all of which items ICSC considered to fall within the broad purview of inter-agency coordination; (d) to request the UN Secretariat to provide ICSC at its 20th session with a study on the conditions of service of the Field Service category, to include both salary 1983 and career-related aspects; (e) to instruct its secretariat to develop further the work on conditions of service in the field and in particular to:

(i) To consider a possible rationale for selection of "comparators" for future studies, as well as a possible methodology for comparison on a periodic basis;

(ii) To pay more attention to GS problems, in particular career elements of service, including possible pilot schemes for circulation of vacancy notices;

(iii) To examine problems relating to the housing difficulties of field staff;

(iv) To report on progress made in the overall study resulting from the present initiatives *[A/38/30, para. 121]*.

In respect of conditions relating to the **security** of staff in the field, ICSC noted the progress reported by CCAQ and stressed its continued interest in ensuring the security of the staff. It requested CCAQ to make arrangements for appropriate participation of its secretariat at the inter-agency level in order that it might continue to be kept closely informed of developments *[A/38/30, para. 122]*.

In relation to problems relating to **health**, ICSC: (a) noted the continued progress made by the medical directors and supported their initiatives, requesting the representatives of executive heads to report at ICSC's 19th session on the arrangements made to ensure efficient financing of dispensaries where needed and on appropriate inter-agency cooperation to assist staff members evacuated on medical grounds and requiring urgent hospitalization or treatment with salary advances or guarantees to hospitals or doctors that their fees would be met in full; (b) requested its secretariat to submit to the 20th session information on the differences in medical schemes affecting GS staff in the field; (c) decided to approve **reimbursement by the organizations of the costs of basic medical examinations** for accompanying family members of staff assigned to countries where the majority of duty stations are classified as having adverse health conditions, up to a limit of $150 per staff member within a two-year period (with financial implications of $150,000 per annum for the UN system as a whole) *[A/38/30, para. 123]*.

ICSC agreed to the **reimbursement of pre-departure expenses** for staff departing from non-headquarters duty stations with effect from 1 September 1983 (for further details, see section 7.30).

ICSC also requested its secretariat to provide it at its 19th session with up-to-date information on the different groups of duty stations away from headquarters duty stations and on the respective allowances and benefits applying to staff members and their families at those duty stations *[A/38/30, para. 125]*.

In **resolution 38/232**, the GA noted the progress made by ICSC in its review of conditions of service in the field and requested it to keep the GA informed of further developments in its review.

1984 **19th session (March)**: ICSC received and noted with appreciation information provided by CCAQ on **medical facilities in the field**, including: (a) the expansion of existing dispensary facilities undertaken on the recommendation of the medical directors and subject to the normal arrangements for inter-agency agreement; (b) the institutionalization of the policy of providing services, free of charge, at all dispensaries and similar facilities for staff members and eligible family members, with the exception that vaccinations and inoculations would be supplied free of charge to recognized dependants only in connection with official travel and in emergencies; (c) the use of emergency medical advances, combined with arrangements made by organizations for providing appropriate guarantees to hospitals and doctors regarding the reimbursement of services, with due regard for the provisions of the different health insurance schemes of organizations; (d) the review of subsistence allowance rates for medical evacuation; (e) the cooperative arrangements on medical aspects being explored with non-UN agencies at the local level *[A/39/30, para. 204]*.

1985 **21st and 22nd sessions (March and July)**: ICSC continued its study of a broad range of issues relating to conditions of service in the field. At the 21st session, it 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 the 22nd session, ICSC 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 *[A/40/30, para. 192]*. ICSC 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 *[A/40/30, para. 198]*.

1986 **24th session (July)**: ICSC reviewed documents received from CCAQ, FICSA, CCISUA and its secretariat on the determination of benefits of staff in the P and higher categories in the field, the assignment allowance and the classification of duty stations according to conditions of life and work. It noted that CCAQ would be reviewing the assignment allowance in the context of its study on mobility of staff, the results of which would be referred to ICSC in 1987, and that a tripartite working group consisting of representatives of CCAQ, the staff and its own secretariat, would also be reporting back to it in 1987 following its review of the classification of duty stations scheme. ICSC decided to take up those matters again in 1987 in the light of those reports and further documentation provided by its secretariat *[A/41/30, para. 153]*.

1987 **26th session (July)**: ICSC examined documentation regarding conditions of service in the field of the P and higher categories submitted by its secretariat. A brief summary of the action taken by ICSC since its early days in this regard was also provided. ICSC was informed that, in spite of the improvements in the overall remuneration package for field staff introduced by ICSC over the years, the administrations of the organizations with staff in the field were experiencing serious problems in the recruitment and retention of staff, especially in recent months. During the consideration of this matter, the Associate Administrator of UNDP addressed ICSC. He stated that a very serious state of affairs existed in the field and the organizations were facing a situation of crisis proportions that was threatening the positive efforts of ICSC and, indeed, to undermine the vital work of all UN organizations in the field. In the light of the difficulties faced by the organizations, ACC and the UN/SG had placed particular emphasis on the conditions of service in the field *[A/42/30, paras. 182 and 184]*.

ICSC recommended several improvements in regard to negative and low post adjustment. It decided on improvements in rental subsidy and assignment allowance including the introduction of a mobility element; increases in financial incentive levels for hardship duty stations and accelerated home leave

entitlements in cases of temporary housing shortages. ICSC's decisions on these issues are recorded in sections 2.1.70, 2.1.72, 3.30 and 7.20 respectively.

1988 **28th session (July)**: With regard to the **reimbursement of medical examinations**, ICSC decided that: (a) the maximum amount of reimbursement for eligible dependents would be set at 75 per cent of that for staff members and procedures for future adjustments would therefore follow those for the adjustment of the basic amount for staff members; (b) with effect from 1 September 1988, this amount would be payable for each eligible dependant, once within a two-year period or on the occasion of reassignment to a designated duty station, whichever came sooner *[A/43/30, para. 86]*.

1989 In the context of the comprehensive review of conditions of service of the P and higher categories (see section 2.1.90) ICSC recommended to the GA a new mobility and hardship scheme which subsumed *inter alia* the provisions for **reimbursement of pre-departure expenses** and **time off for medical and dental checkups**.

By **resolution 44/198**, the GA approved the ICSC recommendations with effect from 1 July 1990. The above-referenced entitlements were thus discontinued as of that date.

SECTION 7.20
CLASSIFICATION OF DUTY STATIONS ACCORDING TO CONDITIONS OF LIFE AND WORK

1979 **9th session (February/March)**: ICSC declared its concern that the conditions of service offered by the common system should be such as to secure and retain for the organizations staff of the highest calibre for duty not only in the headquarters and other large established offices but also in the multitude of small duty stations scattered through more than 140 countries, some in capital cities but many in remote locations where development assistance projects were situated. ICSC recognized that the circumstances and the needs of staff members serving in such places were in many respects different from those of their colleagues in HQ duty stations; and it had been particularly conscious that they tended to have fewer opportunities for making their problems known and expressing their views and consequently often felt forgotten and neglected. To overcome the negative effects of this state of affairs and enhance the effectiveness of the organizations in providing the expert assistance expected of them by the developing countries, ICSC had sought various approaches to the problem of identifying needs and applying specific remedies to them. One of the main difficulties had been that of distinguishing the countries (or particular duty stations within countries) where the conditions of life and work may have an adverse effect on the availability of candidates for appointment to posts in such "difficult" duty stations, the readiness of staff to be assigned to them and the practical effectiveness of staff serving there. ICSC therefore approved a plan for the making of a study of the possibility of establishing criteria by which duty stations could be classified in terms of the conditions of life and work which prevailed in them *[A/34/30, paras. 169 and 170]*.

The following plan of work was agreed upon: (a) the identification of possible criteria, for discussion by ICSC at its 10th session in the light of comments to be made by the representatives of the organizations and of the staff; (b) the testing of the criteria tentatively approved by ICSC, by means of a questionnaire incorporating them which would be sent to field duty stations: (c) analysis of the replies received from the field duty stations, by a task force composed of representatives of the organizations and of the staff, together with ICSC's secretariat, with a view to recommending to ICSC any changes in the criteria or in the questionnaire, together with proposals for the way in which the information to be obtained on conditions at each duty station should be graded and translated into a classification; (d) after approval by ICSC, the institution of a procedure for the ongoing classification of all field duty stations; (e) lastly, consideration by ICSC of possible measures to counteract or compensate for the effect of adverse conditions *[A/34/30, para. 172]*.

On the basis on information of Member States which had systematic procedures for classifying duty stations, i.e., Canada, the Federal Republic of Germany (FRG) and the US as well as earlier studies carried within the UN system, six major factors were identified for use in classifying conditions of life and work in field duty stations: (a) Health; (b) Climate; (c) Education; (d) Housing; (e) Isolation; (f) Local conditions *[A/34/30, para. 177]*.

1980 **12th session (July/August)**: ICSC agreed to proceed with the classification of field duty stations on the basis of the replies to the questionnaire that had been distributed *[A/35/30, para. 222]*. ICSC considered that for those duty stations where unfavourable conditions tended to be grouped as regards health, climate, isolation and other local conditions, it was not possible to take specific action which would change the conditions in question. Therefore, the most effective remedy, where these conditions were highly adverse, was to provide the staff member and his family an opportunity to leave the duty station more often. The "rest and recuperation leave" arrangements had been introduced with this object in view but their value was limited by several factors, in particular, the fact that the cost of staying in many of the designated "rest and recuperation" centres was too high for the average staff

member to be able to spend a holiday there with his family; and that in many cases the climatic and cultural environmental was not sufficiently different from that of the duty station. ICSC considered that the staff member and his or her family would derive much more benefit from a visit to their home country, not only because they often have the possibility of staying there much less expensively, in their own home or with relatives, but they could take advantage of their stay to have a medical check-up, dental treatment and other similar "personal maintenance care" which was not always available in the duty station and which was not so conveniently available at an unfamiliar "rest and recuperation" centre. The incidence of sick leave and medical evacuations was likely to be significantly reduced by more frequent home visits. Such practice had long been recognized by those Member States which have large expatriate diplomatic or aid services, many of which grant home leave every year or even more frequently to their staff in "difficult" duty stations. ICSC therefore considered that for staff in those duty stations found to have the least satisfactory conditions of health, climate, isolation and other local conditions, the frequency of home leave should be increased to once every 12 months. For an intermediate category of duty stations at which conditions were found to be difficult but not among the least satisfactory, the frequency should be increased to 18 months. For all other duty stations (the vast majority), the present 24-month frequency should be maintained. Furthermore, the present "rest and recuperation" leave entitlement would be abolished but the additional travel entitlement (unlike the regular home leave entitlement) would be available, at the staff member's request and provided the cost was not greater, for travel to the headquarters country of the organization or another place which the staff member preferred and where the leave would serve the same purposes as in his home country, for example, the home country of the spouse.
ICSC noted that such travel should be subject to the exigencies of the service and that in some cases (such as in educational, agricultural and training projects) the leave could not be taken because of the difficulty of reconciling it with the annual work cycle *[A/35/30, para. 223]*.

ICSC recommended that, with effect from 1 January 1981, the periodicity of home leave be increased to 12 and 18 months as explained above for staff members serving in very difficult and difficult field duty stations respectively. The designation of field duty stations qualifying for the 12 and 18 month periodicity of home leave would be determined on the basis of a formula which included a predetermined mix of adverse conditions as regards the six factors of conditions of life and work and which would be applied and maintained solely by ICSC *[A/35/30, para. 224]*.

ICSC considered that where schools providing schooling in the language or in the cultural tradition desired by staff members for their children did not exist at the duty station the situation was again one in which nothing could be done to provide the conditions lacking. The only option available to staff members in such circumstances was to send their children away to boarding school, elsewhere in the duty station country, in the home country, or in a third country. ICSC considered that where the educational facilities were such that international staff had no option but to send their children outside the duty station country for schooling, then special treatment was justified by providing for travel of the child between the duty station and the place of schooling twice (instead of once) in the year in which the parent was not entitled to home leave, thus bringing the total of family reunions permitted at the organization's expense to four in a two-year period instead of three. ICSC noted that such special treatment should be provided only for eligible staff members serving in field duty stations *[A/35/30, para. 225]*.

ICSC recommended that, with effect from 1 January 1981, provision be made for travel of the child between the duty station and the place of schooling twice (instead of once) in the year in which the parent was not entitled to home leave in those field duty stations where schools did not exist which provide schooling in the language or in the cultural tradition desired by the staff members for their children. The overall number of family reunions permitted at the organization's expense would thus be raised to four in a two-year period instead of three. ICSC would determine which duty stations were

eligible for such provision on the basis of an analysis of the replies to questionnaires relating to educational facilities *[A/35/30, para. 226]*.

ICSC also considered the introduction of a **financial incentive** in the form of an increase in assignment allowance at half the highest existing rate, i.e., $1,200 a year which would be allocated to staff members working in the most difficult conditions for which no other remedy could be found, whether or not removal costs had been paid. It postponed its decision on the question to the next session. ICSC decided, however, that any incentives it might approve would have retroactive effect from 1 January 1981 *[A/35/30, para. 227]*.

ICSC decided to establish a working party composed of one member designated by CCAQ, one by FICSA and one or more members of ICSC's secretariat which would analyse the replies to each of the questionnaires, verify the consistency of the replies of individual questionnaires as well as that of the replies from neighbouring duty stations, and make proposals to ICSC on the classification of each duty station on the basis of instructions laid down by ICSC. The formulae to be applied in determining the overall classification of duty stations and the manner of qualifying for specific remedial measures would be maintained by ICSC and not published, although the specific remedial measures for which a given duty station would qualify would be made known. ICSC would determine at its next session which duty stations would be eligible for which remedial measures. Once the initial classification was established, ICSC would carry out a review once each year to ensure that conditions had not changed. All reclassifications of duty stations which would be warranted by virtue of changes in conditions of life and work would become effective once each calendar year *[A/35/30, para. 228]*.

In **resolution 35/214**, the GA: (a) approved the classification by ICSC of duty stations according to conditions of life and work and the increase in the periodicity of home leave and of travel entitlements under the education grant, pending the determination of eligible duty stations; (b) noted ICSC's intention to study further financial incentives for staff members serving in the most difficult duty stations.

1981 **13th session (February/March)**: ICSC reviewed the list of duty stations that would qualify for the new entitlements on the basis of the criteria proposed by a working group it had established. It approved the criteria and system of marking recommended by the Working Group to be used in determining duty stations eligible for the new entitlements of accelerated home leave travel on cycles of 12 and 18 months, additional education grant travel and financial incentives. Concerning the financial incentive, ICSC noted that the provision was reserved for a very small proportion of staff and that the cost to be incurred by the common system was indeed minimal. It therefore decided to establish the amount at the following rates for a staff member in the P or higher categories assigned to a qualifying duty station outside his or her home country: $2,400/year (accompanied by a dependent spouse at the duty station) and $1,200 per year (not accompanied by a dependent spouse at the duty station). The incentive was to be paid in the form of an increased rate of assignment allowance. The amount so added would not be taken into account in the calculation of rental subsidy for those duty stations. With regard to the transitional measures proposed, ICSC decided, consistent with the intentions expressed in its previous annual report that rest and recuperation leave should be entirely abolished in conjunction with the establishment of the new entitlements and, therefore, that no transitional measures should be implemented. ICSC authorized its Chairman to promulgate the decisions concerning particular duty stations, on the basis of the established classifications, with effect from 1 January 1981. With regard to future classifications, ICSC decided that: (a) organizations should submit completed questionnaires for newly established duty stations as soon after their establishment as it was possible to judge the existing conditions; (b) Resident Coordinators and other respondents should be informed that they could submit a revised questionnaire in respect of any duty station if they

believed that there had been a significant change in the conditions; (c) the questionnaires so received would be examined once a year by the Working Group, which would submit recommendations to the Chairman of ICSC for approval and promulgation, and (d) a complete survey of all field duty stations should be undertaken by the Working Group every three years and the results of those reviews should be reported to the Chairman for approval and promulgation *[A/36/30, para. 154]*.

14th session (July): ICSC considered a proposal of its secretariat that a review should be made of some of the aspects concerning the procedures for determining eligibility for the higher amount of the financial incentive, for dealing with duty stations in which security conditions deteriorated drastically, and for the examination of new questionnaires which had been received since the 13th session. The secretariat recommended that: (a) eligibility for the financial incentive in the amount of $2,400 per year should be granted to a staff member in the P or higher category assigned to a qualifying duty station outside his or her home country and accompanied by a dependent spouse or dependent child at the duty station; (b) the Chairman should be delegated the authority immediately to designate duty stations, in which the Secretary-General had ordered the evacuation of dependants, as qualifying for home leave travel on a 12-month cycle and to reinstate the original classification for the duty station when the evacuation order was withdrawn; (c) a second meeting of the Working Group should be convened at the 14th session to examine new questionnaires received by 1 July 1981 so that the Chairman might promulgate a supplementary list of duty stations eligible for the new provisions *[A/36/30, para. 155]*.

ICSC decided that: (a) eligibility for the financial incentive in the amount of $2,400 per year should be granted to a staff member in the P or higher category assigned to a qualifying duty station outside his or her home country and accompanied by a dependent spouse or dependent child at the duty station; (b) ICSC should be delegated authority to promulgate classification entitlements for newly-established duty stations. ICSC also noted that: (a) its Chairman would promulgate a list of new duty stations which qualified for various entitlements after the 14th session; (b) further requests for review would be examined by the Working Group during its regular annual review scheduled near the end of 1981; (c) after examining the report of the Working Group, the Chairman would, within the authority delegated to him by ICSC, promulgate any new classifications that were required *[A/36/30, paras. 161 and 162]*.

1982 **15th session (March)**: ICSC considered developments in the classification of duty stations that had occurred since the 14th session. The document provided further lists of qualifying duty stations which had been promulgated, the estimated costs and further recommendations of the Working Group to review the scheme in the light of the comments of the organizations in respect of the abolition of rest and recuperation leave *[A/37/30, para. 223]*. ICSC decided that no further review of the scheme was required in light of the confirmation that all organizations had now abolished the previous rest and recuperation provisions. With regard to the possible manner of designating groups of eligible duty stations, ICSC decided to continue the *status quo*. ICSC also decided to delegate to its Chairman the power to establish provisionally entitlements of duty stations which had not previously been examined, giving them provisional ratings that would be reviewed in the subsequent annual meeting of the Tripartite Working Group *[A/37/30, para. 226]*.

In **resolution 37/126**, the GA noted that ICSC had started a comprehensive review of conditions of service in the field.

1983 **18th session (July/August)**: ICSC continued its general review of field-service conditions. It decided, *inter alia*, to expand the terms of reference of the 1983 Tripartite Working Group (TWG) on the Classification of Duty Stations according to Conditions of Life and Work to include a comprehensive

review of duty stations and of the allowances and benefits currently received by staff, based, *inter alia*, on documentation to be provided by the organizations and FICSA *[A/38/30, para. 121(a)]*.

In **resolution 38/232**, the GA noted the progress made by ICSC in its review of conditions of service in the field and requested ICSC to keep the GA informed of further developments in its review.

1984 **19th session (March)**: ICSC heard a statement by the Administrator of UNDP and considered a report by the TWG, as well as comments by the ICSC secretariat on the changes proposed by the TWG. ICSC recommended, *inter alia*, to the organizations that they: (a) establish a mechanism whereby staff members might be advanced the financial incentive, where applicable, for up to one year; (b) exercise flexibility in granting the additional travel entitlement provided that no additional costs were involved; (c) exercise the greatest amount of flexibility possible in the timing of allowing the use of the 18-month home leave provision so as to meet the requirements of the organizations as well as the staff and their families; (d) consider increasing the weight entitlements for shipments for staff in field duty stations with difficult local conditions *[A/39/30, paras. 199 and 200]*.

ICSC approved: (a) the changes recommended by the TWG in respect of the questionnaire used to obtain information on conditions of life and work at different duty stations; (b) the amendments to the marking scheme and consequent derivation of entitlements *[A/39/30, para. 201]*. ICSC also decided: (a) to establish two levels of financial incentive, in accordance with the authority given to it in article 11 (b) of its statute at the following rates:

	Without dependants (United States dollars)	With dependants (United States dollars)
Level I	1,800/yr	3,600/yr
Level II	2,400/yr	4,800/yr

(b) that the new rates for level I would take effect from 1 July 1984 and those for level II from 1 January 1985; (c) to review the levels of the financial incentives every three years *[A/39/30, para. 202]*.

1986 **24th session (July)**: Proposals were presented by FICSA and CCISUA concerning the system of classifying field duty stations according to conditions of life and work. ICSC requested the TWG to review the proposals and to make recommendations thereon at the 25th session *[ICSC/24/R.22, para. 81]*.

1987 **25th session (March)**: ICSC reviewed the recommendations of the TWG and decided: (a) to establish the following new financial incentive levels (equivalent to two months' net salary at the P-4, step VI level, at the base in New York) with effect from 1 July 1987:

	Without dependants	With dependants
Financial incentive Level I	$2,700/yr	$5,400/yr
Financial incentive Level II	$3,600/yr	$7,200/yr

(b) to review the levels of the financial incentives whenever there was a change in net salary at the base in New York; (c) to retain the current restrictions on additional education grant entitlements; (d)

to retain the existing requirement that duty stations receiving entitlements would be reviewed every three years, or sooner if so decided by the ICSC secretariat or requested by staff at the duty station; (e) to approve the changes recommended by the TWG in respect of the questionnaire; (f) to approve the three proposed revisions to the thresholds for determining entitlements, with estimated financial implications of $27,000 a year for the common system; (g) to approve the TWG recommendation to provide accelerated home leave entitlements for staff experiencing temporary housing shortages on the understanding that the entitlement would be limited strictly to those staff members unable to find permanent housing and that there would be strict monitoring and certification of such cases by the UN Resident Coordinator; (h) to review the system indicated in (g) above in two years' time on the basis of experience *[A/42/30, para. 219]*.

26th session (July): In the context of a review of the levels of the education grant and following a proposal from CCAQ, ICSC recommended to the GA that the existing education grant provisions for staff serving at locations where educational facilities were not available or were deemed to be inadequate should be modified as from the school year in progress on 1 January 1988 to enable them to claim reimbursement of 100 per cent of boarding costs up to $1,500 per year as an amount additional to the maximum grant of $4,500 *[A/42/30, para. 153]*.

By **resolution 42/221**, the GA approved the above recommendation and requested ICSC to report to the Assembly annually, starting in 1988, on the number of such cases in the common system and on the related costs. The GA also requested ICSC to indicate in its next report the type of guidelines used for assessing the adequacy of educational facilities at field duty stations for the application of the above measure.

1988 **28th session (July)**: ICSC considered a report of the TWG, which included proposals on: (a) the scoring scheme for the review of entitlements at field duty stations; (b) the reimbursement of medical examinations for family members; and (c) guidelines, as requested in GA resolution 42/221, for assessing the adequacy of educational facilities at field duty stations in application of the improved provisions for the reimbursement of boarding costs for staff members at locations where educational facilities were not available or were deemed inadequate. ICSC decided to approve the proposed revisions to the scoring scheme *[A/43/30, paras. 84-85]*.

ICSC took note of the information provided on the guidelines that were being used by the organizations for determining **entitlements to the additional reimbursement of boarding costs** which were the same as those used to determine the additional education grant travel entitlement. Additional boarding costs were reimbursed when: (a) no educational facilities were available at the duty station; (b) educational facilities were available only up to a certain level (at duty stations - typically smaller ones - where only in certain subjects; education at the post-secondary level was typically not available at small field duty stations); (c) the language of instruction was inappropriate (education was not available in an official language of the UN and/or the language of the majority of international staff at the duty station); (d) places were not available (at duty stations where educational facilities with the required characteristics were available, but where there were long waiting lists, or enrolment was restricted to a particular nationality). ICSC decided to report these guidelines to the GA. It concurred with the working group that the guidelines could continue to be applied to determine which duty stations would be eligible for the additional reimbursement of boarding costs. ICSC requested the organizations to provide information on the number of cases and related costs for the entitlement to the additional reimbursement of boarding costs by 31 October 1988 in order to allow this information to be submitted to the GA at its 43rd session *[A/43/30, paras. 87-88]*.

With regard to the **reimbursement of medical examinations**, ICSC decided that: (a) the maximum amount of reimbursement for eligible dependants would be set at 75 per cent of that for staff members and procedures for future adjustments would therefore follow those for the adjustment of the basic amount for staff members; (b) with effect from 1 September 1988, this amount would be payable for each eligible dependant, once within a two-year period or on the occasion of reassignment to a designated duty station, whichever came sooner *[A/43/30, para. 86]*.

1989 **29th session (March)**: ICSC reviewed a report by the TWG on its annual meeting in 1988 which contained the results of a survey of actual utilization of hardship entitlements and associated costs under the hardship duty station scheme. Since the scheme had been introduced in 1981 the annual cost had grown to over $10 million per year. The Chairman felt that the authority delegated to him was a discretionary one which did not mean that every recommendation of the TWG should automatically be approved. He had approved the recommendations of the TWG for all but 4 duty stations, partly because of his different evaluation of qualifying criteria and partly because of cost considerations. He wished to discuss with ICSC the overall issue of the operation of the hardship scheme, particularly in view of the concern expressed by CCAQ about the 4 hardship entitlements recommended by the TWG that had not been approved *[ICSC/29/R.11, paras. 95-96 and 98]*.

ICSC decided to: (a) take note of the operation of the hardship duty station scheme and its overall costs submitted by CCAQ; (b) reaffirm the role of its Chairman in ensuring that the criteria for establishing the entitlements were met and applied consistently; (c) request the TWG to provide, when submitting its recommendations to the ICSC Chairman, a list of duty stations examined, together with its recommendations for new and revised entitlements, accompanied by the reasons therefor and the projected costs, with a breakdown by regular and extrabudgetary sources of funds; (d) request its Chairman to provide a full report to ICSC on his consideration of the recommendations from the TWG including those which were not approved and the reasons therefor; (e) request the organizations to provide a comprehensive report every three years on the operation of the hardship duty station scheme including duty stations involved and estimates of the total costs incurred so as to enable ICSC to submit a report thereon to the GA; (f) request the Chairman of the TWG to continue consultations with the ICSC Chairman with a view to resolving outstanding issues emanating from the previous report(s) of the TWG as soon as possible *[ICSC/29/R.11, para. 101]*.

30th session (July/August): As part of the package of measures recommended under the comprehensive review of conditions of service of staff in the P and higher categories, ICSC recommended a new mobility and hardship scheme to replace the current scheme of assignment allowance, financial incentives for service and hardship duty stations, installation grant and pre-departure allowance. The main elements of the scheme: the mobility and hardship allowance and the assignment grant are described in sections 3.1.80 and 3.1.90, respectively. For changes in home leave arrangements, see section 4.60. ICSC also recommended that: (a) the existing limits on additional reimbursement of boarding costs should be increased to $3,000 per year; (b) the additional reimbursement should in future be applicable in respect of children at primary and secondary school levels only; (c) the existing provision for additional reimbursement should no longer apply at the post-secondary level *[A/44/30, vol II, paras. 305-333]*.

By **resolution 44/198** the GA approved the ICSC recommendations.

1992 **36th session (July/August)**: ICSC recommended to the GA that the amount of additional reimbursement of boarding costs should be maintained at the present level in respect of all currency areas *[A/46/30, para. 252 (c)]*.

1994 **40th session (June/July)**: ICSC noted that the level of the additional reimbursement of boarding costs over and above the normal maximum grant at designated duty stations would be reviewed in conjunction with the review of the mobility and hardship allowance scheduled for 1996 *[A/49/30, para. 270]*.

2011 **73rd Session (July):**

The Commission was apprised of the cost implications of the hardship classification system with approved changes to the criteria in document ICSC/73/R.8. It was also presented with a conference room paper on the comparison of the benefits paid to staff in field locations between the United Nations and the comparator civil service [ICSC/73/CRP.9]. The Commission considered that the refinement of the criteria would address current problems with the hardship classification system in a consistent manner and result in more precise hardship classifications in the future.The Commission decided:

Hardship classification system

(m) To request its secretariat and its Working Group for the Review of Conditions of Life and Work in Field Duty Stations that all duty stations be reviewed, with or without the use of a questionnaire;

(n) To maintain all the current hardship factors but to make a change in their relative weightings (except for education, as it is not included in the scoring);

(o) To establish rating scales for the individual hardship factors as recommended by the Working Group. Further, in accordance with the Commission's decision, the details of the scoring system for the hardship classification should be kept confidential and not be published;

(p) To approve the change in the current weighting scheme of individual hardship factors and the modifications to the current criteria as recommended by the working group. Further, in accordance with the Commission's decision, the details of the scoring system of hardship classification should be kept confidential and not be published;

(q) To implement the revised hardship classification system on 1 January 2012 [A/66/30, para. 38].

The General Assembly in its resolution A/RES/66/235,

2. Endorsed the decisions of the Commission relating to the mobility and hardship scheme as contained in paragraph 38 of its report;

2012 **75th session (July)**: At its 72nd session, the Commission on the recommendation of a working group established to review the mobility and hardship scheme, accepted a definition of "H" category duty stations as follows: "headquarters and similarly designated locations where the United Nations has no development or humanitarian assistance programmes for that country, or locations in countries that are members of the European Union" (see also section 3.81). The Commission also decided to request its secretariat to conduct a formal review of all duty stations in which organizations of the common system continued to maintain humanitarian or developmental activities for that country, with a view to determining the correct classification of those countries and duty stations.

Accordingly, at its 75th session the Commission considered a report of "H" category duty stations and field duty stations which found that it was not possible to establish a direct relationship between the current definition of "H" duty stations and the current list of "H" category countries and that it would

therefore be necessary to explore other ways to classify "H" duty stations. In this regard, some 8 different proposals were presented.

The Commission decided to:

(a) Revise the current definition of "A" and "H" category duty stations under the mobility and hardship scheme and develop a new classification system.

(b) Request its secretariat to conduct a study in consultation with the organizations and staff federations on an appropriate classification system and a definition for "H" category duty stations based on the discussion that had been held at the current session, and to present a sound proposal thereon at its seventy-sixth session. [ICSC/75/R.17, para. 46].

2013 **76th session (February-March)**: The Commission considered a proposed method for determining inclusion in the H category, based on the criteria established for determining group I duty stations under the post adjustment system combined with a qualitative assessment along with a proposed definition for H category duty stations under the mobility and hardship scheme.

The Commission decided, inter alia: To request the tripartite working group for the classification of field duty stations to consider this item at the mid-year review meeting, in June 2013, and report to the Commission at its seventy-seventh session on a technically sound proposal for classifying those duty stations currently designated as H and A for hardship on the basis of the conditions of life and work. [ICSC/76/R.10, para. 50(b)].

77th session (July-August): The organizations submitted proposals at the request of the ICSC secretariat for consideration by the Tripartite Working Group meeting in June 2013. The Tripartite Working Group proposed the following definition for "H" category duty stations: Duty stations in countries where the United Nations has no operational presence for implementing development or humanitarian assistance programmes and where high standards of living and working conditions exist for international staff based on the following assessment criteria (indicators):

Quantitative indicators: Convertibility of currency, stability of exchange rate, strength of currency; low inflation, stability of economy, availability of goods and services.

Qualitative indicators: Education, security, health, local conditions, isolation.

The Tripartite Working Group considered that the testing of the above definition and the application of the indicators would require further analysis and validation. With reference to the decision of the Commission at its 76th session (ICSC/76/R.10, para. 50) the next phase would be to undertake this analysis to ensure that the proposal was technically sound.

The Commission decided, inter alia:
To request its secretariat to continue its work on the issue, in consultation with the organizations and staff, considering the views of the Commission at the session [ICSC/77/R.15, para. 73] *(Note: Further work in this regard was discontinued due to the commencement of the comprehensive review of the compensation system for Professional and Higher categories of staff)*

2014 *Discussion and decisions of the Commission and the General Assembly relating to revisions to the mobility and hardship scheme from the comprehensive review which was completed in 2015 can be found under* ***sections 3.82 to 3.84.***

2017 **84th session (March)**: The Commission commenced a review of the methodology for hardship classification based on experience gained since the last revision in 2011 and initial work carried out by its secretariat (Phase I).

The Commission decided:

(a) To continue the study of the hardship classification methodology, building on the work completed so far under Phase I; and

(b) To request its secretariat to review in consultation with representatives of the organizations, the staff federations, to review the areas of hardship methodology, including reassessment of the weighting of factors, examination of the range of "A" duty stations and their ratings, and review of the hardship questionnaire as appropriate, in particular the health section which should be reviewed in collaboration with the United Nations Medical Services including the possibility of using external vendor data.[ICSC/84/R.8, para. 85].

85th session (July): The Commission considered several models to adjust the criteria for overall hardship categorization which had been developed by the secretariat subsequent a meeting with representatives of the organizations, staff federations, the United Nations Medical Services Division (UNMDS) and the United Nations Department of Safety and Security (UNDSS), in order to consult and to discuss various components of the methodology. The models considered were as follows:

Model 1: Model 1 was based on the approach that each of the six factors was equally important. This would, however, lead to unintended consequences which prompted further fine-tuning described below under Model 2.

Model 2: Model 2 was a slight modification of Model 1 by assigning each factor, except climate, the same importance, with the aim of striking a good balance and relativity between classification categories and causing minimal amount of disruption on the current categorizations. The rationale for this approach was based on the analysis of Model 1 simulations which led to some undesirable results and changes to numerous currently uncontested overall classifications solely based on the climate factor. Bearing in mind that climatic and environmental factors could be mitigated and that the impact of those factors on, inter alia, health and sanitation, was captured in other factors, it was concluded that climate should not have the same importance as the other hardship factors.

Model 3: Taking the minimalistic approach of only addressing what had been considered as not working optimally, i.e., the criteria for "A" and "B" overall categorization, Model 3 was based on an adjustment of the criteria for the "B" category by assigning each factor the same importance, except for climate.

The Commission decided to:

(a) Take note of the report, and the roadmap as shown in annex III of the present report.

(b) Approve the adjustments to the current criteria for the overall hardship categorization in line with Model 2.

(c) Request its secretariat to conduct the next hardship review (November 2017) applying the above revised criteria and inform the Commission of its impact.

(d) Continue to work with the Medical Services Division of the United Nations to improve the

evaluation of the health factor.

(e) Continue to improve the hardship questionnaire including development of an electronic format.

(f) Reaffirm that "H" category duty stations were not subject to hardship classification.

(g) Request the organizations to provide information on the work on duty of care initiatives, through the CEB secretariat, at its eighty-sixth session. [ICSC/85/R.13, para. 120].

2018 **86th session (March)**: The Commission considered a note by its secretariat on the impact of the revision of the criteria for overall categorization as decided in (b) and (c) above. The revised methodology had been applied in the duty stations under the annual hardship review in 2017, which included duty stations in the African region (all duty stations under the hardship scheme are reviewed, normally by region, over a three-year period).

The Commission decided to:

a) Take note of the report and the positive impact of the revised criteria for the overall categorization as observed through its application during the 2017 annual hardship review.

b) Request its secretariat to continue applying the revised hardship classification methodology to the remainder of the duty stations and inform the Commission of its impact. [ICSC/86/R.9/Rev.1, para. 138]

The Commission at the same 86th session also considered a separate note by the Human Resources Network for duty stations classified as hardship category D and E which were not designated as non-family. Discussion on this issue, which led to the General Assembly's granting an amount in 2018 of $15,000, on a pilot basis, as an option in lieu of the installation of family members in E duty stations, can be found under **section 3.84** on the non-family Service Allowance/Additional Hardship Allowance.

SECTION 7.30
PRE-DEPARTURE EXPENSES

1983 **18th session (July/August)**: ICSC considered documentation presented by its secretariat and by FICSA, which contained a detailed review of conditions of service in the field, both within the UN system and in governmental and international organizations involved in field programmes. A number of suggestions were made as to possible improvements that would enhance the mobility of field staff including the reimbursement of pre-departure expenses. ICSC agreed to the reimbursement of pre-departure expenses for staff departing from non-HQ duty stations subject to the following conditions: (a) reimbursement should be effected against proven use of hotel accommodation; (b) it should be limited to a maximum of 60 per cent of the daily subsistence allowance rate for the duty station concerned for a maximum of 10 days. Up to one half of that rate may be paid in respect of dependants; (c) no payments should be made in respect of initial appointment of the staff member. ICSC noted that the cost of reimbursement of such pre-departure expenses would amount to $200,000 per annum for the UN common system. It decided to introduce such reimbursement with effect from 1 September 1983 *[A/38/30, paras. 117 and 124]*.

1985 **22nd session (July)**: ICSC continued its study of a broad range of issues relating to conditions of service in the field, including pre-departure expenses. It decided to draw to the organizations' attention an irregularity that had occurred in their interpretation of the ICSC decision. Pre-departure expenses were not to be reimbursed upon separation of a staff member from service. ICSC, 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 ICSC 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 ICSC *[A/40/30, paras. 192 and 199]*.

1989 **29th session (March)**: In the context of a review of the implementation of its decisions and recommendations *(ICSC/29/R.9 and Add.1)*, ICSC requested the organizations concerned to discontinue reimbursement of pre-departure expenses upon separation from service *(ICSC/29/R.11, para. 73)*.

By **resolution 44/198**, the GA approved ICSC's proposed new mobility and hardship scheme which subsumed *inter alia* the provision in the field for reimbursement of pre-departure expenses with effect from 1 July 1990 (see sections 2.1.90 and 3.1.80).

SECTION 7.40
HAZARDOUS DUTY STATIONS

1981 **13th session (February/March)**: CCAQ proposed that if conditions in a given duty station were to deteriorate so gravely that the SG ordered the evacuation of dependants of staff members from the duty station, the ICSC Chairman should be empowered to place that duty station automatically in the category where the staff members remaining there were entitled to home leave travel every 12 months *[A/36/30, para. 152]*.

14th session (July): ICSC considered a proposal by its secretariat that a review should be made of some of the aspects concerning the procedures for determining eligibility for the higher amount of the financial incentive, for dealing with duty stations in which security conditions deteriorated drastically. It decided to delegate to the Chairman the authority to designate duty stations, in which the SG had ordered the evacuation of dependants, as qualifying for home leave travel on a 12-month cycle and to reinstate the original classification for the duty station when the evacuation order is withdrawn *[A/36/30, para. 161(b)]*.

1984 **19th session (March)**: ICSC heard a statement by the Administrator of UNDP and considered a report on the annual tripartite ICSC secretariat/CCAQ/Staff Working Group on the classification of duty stations. With regard to duty stations where very hazardous conditions, such as war or active hostilities, prevailed and where the evacuation of families and non-essential staff had been decided upon, ICSC decided to authorize its Chairman to take exceptional measures. Such measures might include temporary reclassification of a duty station and additional entitlements up to level II of the financial incentive (see section 7.20). In those cases where a decision had been taken to evacuate most UN personnel, locally-recruited and other staff members not eligible for benefits under the classification of duty stations scheme who were required by the organization concerned to perform duties and face the same type of difficulties as international staff could be granted a bonus of up to 10 per cent of the staff members' basic remuneration. Such a bonus would be applicable for one month at a time but be renewable, subject to review of the situation by the organizations concerned *[A/39/30, paras. 199 and 203]*.

1985 **22nd session (July)**: ICSC continued its study of a broad range of issues relating to conditions of service in the field including the conditions of service faced by staff in Lebanon. The representative of the UN 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 P and 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 GS staff should receive a bonus equivalent to 20 per cent of their net base salary *[A/40/30, paras. 192 and 194]*. Concerning the situation of staff serving in Lebanon, ICSC recognized that a special situation existed that called for an *ad hoc* remedy. It therefore decided that with effect from 1 July 1985: (a) staff in the P 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 lasted, at an estimated annual cost of $147,000; (b) staff in the GS 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 ICSC should be delegated to keep the issue under review and to consult with the appropriate Headquarters officials responsible for security coordination, to determine if a change in conditions of service occurred; (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 P and higher categories and other internationally recruited staff, and on 10 per cent of base net salary for staff in the GS category *[A/40/30, para. 200]*.

1987 **25th session (March)**: ICSC examined a note by CCAQ proposing an increase in the financial incentive from $550 per month to $1,100 per month with effect from 1 April 1987 for all international staff whose duty station was Beirut and an increase in the bonus paid to locally recruited staff required to report to work at Beirut from 20 per cent to 30 per cent. The basis for these proposals was the continuing deterioration in the security situation at Beirut, particularly in the preceding few months, and the consequent difficulty in assigning staff to that location. An oral presentation on this matter was made by the representative of the UN, as Security Coordinator for the common system, on behalf of CCAQ. ICSC noted that other services were compensating their staff for serving under dangerous conditions at Beirut, including the comparator, which paid its staff a supplement of 50 per cent of their net base pay. A doubling of the existing financial incentive for UN system staff, therefore, did not appear out of line with the conditions at Beirut *[A/42/30, paras. 221 and 223]*.

ICSC decided: (a) to increase the temporary financial incentive for internationally recruited staff stationed at Beirut from $550 per month to $1,100 per month (which would be prorated for staff on temporary assignments to Beirut), with effect from 1 April 1987; (b) to increase the bonus paid to locally recruited staff who were required to report to work at Beirut from 20 to 30 per cent of their base salary with effect from 1 April 1987; (c) to request its Chairman to review the situation at Beirut every six months, or sooner, if appropriate, and to decide, under delegated authority from ICSC, in the light of that review, whether payment of the temporary financial incentive should be continued *[A/42/30, para. 224]*.

1990 **32nd session (July/August)**: In the context of the implementation of decisions concerning the comprehensive review, CCAQ presented a proposal recommending a revised approach to determine, *inter alia*, degrees of hazard and levels of emoluments to recognize hazard. ICSC considered that appropriate consultations with all parties were necessary before the matter was brought up for consideration and decided to revert to the issues at the 33rd session *[ICSC/32/R.24, paras. 79(c) and 81]*.

1991 **33rd session (March)**: ICSC reaffirmed its commitment to the principle of hazard pay. It considered a request by CCAQ to introduce a three-level system: hazardous, very hazardous, extremely hazardous, to represent 10, 20 and 30 per cent respectively of net salary. ICSC considered that experience had shown levels of hazard very difficult to differentiate and reaffirmed the criteria approved in 1984. It decided that the lower and upper ranges of the scale, along the lines proposed by CCAQ, i.e., 10 and 30 per cent of a P-4, step IV, could be used to determine degrees of hazard pay. Local staff would be paid a concomitant percentage of basic remuneration *[ICSC/33/R.16, para. 138]*.

1994 **40th session (June/July)**: ICSC had before it updated information on the operation of hazard pay *(ICSC/40/R.13)*. The secretariat proposed consolidation and reaffirmation of existing arrangements of hazard pay, with some minor changes to reflect current practices. A monitoring system was proposed to report staff numbers. ICSC confirmed and restated the arrangements for the granting of hazard pay as follows: (a) *Form of hazard pay*. Additional monthly compensation for staff required to work under hazardous conditions; (b) *Where applicable*. In duty stations where very hazardous conditions, such as war or active hostilities prevailed; although the normal precondition would be the evacuation of families and non-essential staff, there might be exceptional circumstances (i.e. newly established duty stations in conflict areas) where evacuation did not arise as a precondition; (c) *Eligibility*. (i) internationally recruited staff required by their organizations to serve at the duty station in question;

(ii) locally recruited staff who were required to report to work and who did so; (d) *Duration.* Applicable for up to three months at a time, subject to ongoing review in the light of prevailing conditions; (e) ICSC further decided that the amounts should be amended as follows: (i) for internationally recruited staff: 20 per cent of the net base/floor salary of a P-4, step VI (dependency rate); (ii) for locally recruited staff: 20 per cent of the mid-point of the applicable local salary scale. In cases where staff might receive less under the new arrangements, transitional measures would consist of a continuing payment at the existing rate until there ceased to be a difference between the old and new amounts *[A/49/30, paras. 274-275 and 288-291]*.

By **resolution 49/223** the GA: (a) commended the dedication of increasing numbers of staff of the UN common system who were required to work in dangerous conditions; (b) noted the ICSC decisions in respect of hazard pay as contained in its 1994 annual report; (c) requested ICSC to reconsider its decision to link hazard pay to the base/floor salary scale for internationally recruited staff and its decision on the level of hazard pay and to propose alternative approaches to hazard pay and to report thereon to the GA at its 51st session (1996).

1996 **43rd session (April/May)**: ICSC took up the above-referenced request in the context of its review of the mobility and hardship scheme *(see section 3.80)*. It decided that it would be appropriate to delink hazard pay from the base/floor salary for staff in the P and higher categories. The amount would remain at the current level of $902 per month until it was next reviewed. To ensure that the amount continued to be meaningful, it would be reviewed every two years. For locally recruited staff, hazard pay would continue to be linked to the local salary scale and paid at the rate of 20 per cent of the mid-point of the relevant scale *[A/51/30, para. 304]*.

In **resolution 51/216**, the GA endorsed the ICSC decision to delink hazard pay from the base/floor salary scale for staff in the P and higher categories and to review the level of hazard pay every two years.

1998 **47th session (April/May):** ICSC considered whether to leave the current level of hazard pay for internationally recruited staff unchanged or to adjust it, either empirically or against an indicator.

ICSC decided (a) to express appreciation for their dedication and commitment to all those staff - both internationally and locally-recruited - who worked in hazardous conditions; (b) to establish the amount for hazard pay for internationally recruited staff pragmatically, it should be arrived at empirically; (c) to set the amount of hazard pay for internationally recruited staff at the rate of $1,000 per month with effect from 1 June 1998; (d) to change the review cycle from two to three years and review the amount for internationally recruited staff again in the year 2002; (e) to use as a reference point, at the time of the next review, in addition to salary levels, inflation rates at the 7 HQ duty stations; (f) to review the level of hazard pay for locally recruited staff in the year 2002; (g) to note that, in the event of the evacuation of internationally recruited staff, the particular situation of local staff should also be taken into consideration *[A/53/30, para.236]*.

In its **resolution 53/209,** the GA reiterated the expression of its appreciation for the dedication of increasing numbers of staff of the UN common system who were required to work under dangerous conditions. It took note of ICSC's decisions.

2002 **54th session (April/May):** ICSC considered a note by its secretariat **(ICSC/54/R.9)**, which provided updated information on the issue of hazard pay under the regular three-year review cycle and presented a number of options for adjusting the level of hazard pay for internationally and locally recruited staff.

The document also addressed a request by the United Nations Security Coordinator to consider the possibility of establishing new criteria for hazard pay with respect to transitional administration missions. ICSC was also informed that area staff of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) were not receiving hazard pay *(ICSC/54/R.12).*

ICSC decided (a) to reiterate its commitment to the principle of hazard pay and expressed its appreciation for the dedication and commitment of all those staff working in hazardous conditions; (b) to reconfirm that the present criteria for the granting of hazard pay should remain unchanged; and (c) to maintain the level of hazard pay for international staff at its current rate of US$1,000 per month. ICSC requested its secretariat to solicit the views of the organizations with regard to the adjustment of the levels of hazard pay to locally recruited staff and submit its recommendations to it at its 55th session. ICSC noted that the legal issues concerning UNRWA area staff were complex and required the advice of the United Nations Legal Counsel. It therefore decided to refer the matter to the United Nations Legal Office *(ICSC/54/R.12 para. 111).*

55th session (July/August): ICSC considered a note prepared by its secretariat at its request containing a recommendation from seven common system organizations and programmes to increase the level of hazard pay for locally recruited staff by a factor of 50 per cent (ICSC/55/R.13). ICSC considered also the issue of eligibility of UNRWA area staff for hazard pay in the light of comments provided by the United Nations Legal Counsel and the General Counsel of UNRWA contained in document (*ICSC/55/R.13*).

ICSC decided: (a) to reiterate its commitment to the principle of hazard pay; (b) to reconfirm that the present criteria for granting of hazard pay should remain unchanged; (c) to maintain the level of hazard pay for international staff at its current level of US$ 1,000 per month; (d) that with effect from 1 January 2003, the level of hazard pay granted to locally recruited staff should be increased to 30 per cent of the midpoint of the local base salary scale; and **(e)** the Commissioner General of UNRWA had full authority to deal with the question of hazard pay by applying the relevant procedures in place for area staff. *(A/57/30 para.123).*

In its resolution **57/285**, the General Assembly requested ICSC to reconsider its decision on hazard pay, taking into account all the views expressed by Member States.

2003 **57th session (July 2003):** In its resolution 57/285, the GA requested ICSC to reconsider its decision on hazard pay, taking into account all the views expressed by Member States. ICSC considered, at its fifty-seventh session, two options regarding the level of hazard pay for locally recruited staff: maintaining the level of hazard pay for this category at its current level (20 per cent of the midpoint of the local salary scale) or upholding its prior decision to increase the level to 30 per cent of the midpoint of the local salary. ICSC also received a request from FICSA to urge the UNRWA Commissioner-General and the United Nations Secretary -General to work closely with Member States to address the issue of providing hazard pay to UNRWA area staff *[A/58/30, paras. 127-131].*

Regarding the request submitted by FICSA concerning UNRWA area staff, ICSC recalled its earlier conclusion that the Commissioner-General of UNRWA had full authority to deal with the issue of granting hazard pay for area staff of the Agency by applying the relevant procedures in place for this category of staff *[A/58/30, para.141].*

ICSC decided to uphold its previous decision that the level of hazard pay granted to locally recruited staff should be increased to 30 per cent of the midpoint of the local salary scale and that this decision would be implemented with effect from 1 January 2004 *[A/58/30, para. 142]*.

In its **resolution 58/251**, the GA requested ICSC to reconsider and decide on a smaller increase in the level of hazard pay for local staff, taking into account the views expressed by Member States, and to report on the implementation of this request to the GA at its fifty-ninth session.

2004 **58th session (March/April):** ICSC decided that the level of hazard pay granted to locally recruited staff should be increased to 25 per cent of the midpoint of the local salary scale and that this decision would be implemented with effect from 1 June 2004 *[A/59/30, para. 147]*

The GA, in its **resolution 59/268**, took note of the decision of ICSC.

2008 **67th session (July):** The report presented to the Commission by its secretariat on hazard pay for internationally recruited staff contained a proposal to increase the hazard pay for internationally recruited staff by 5 per cent effective 1 January 2009 [ICSC/67/R.16]. This would result in an increase in hazard pay from $1,300 to $1,365 per month. The financial implications of an increase of 5 per cent in the current level of hazard pay for internationally recruited staff assigned to hazardous duty stations (i.e., from $1,300 to $1,365 per month) were estimated at $1.2 million for the year 2009, based on staff data as at 31 December 2006 and assuming the list of countries/duty stations where payment of hazard pay has been approved with effect from 1 June through 31 August 2008 remains unchanged during the year 2009. This estimate did not include payment to staff on travel status.

The Commission decided that a 5 per cent increase should be granted for the hazard pay for internationally recruited staff and as a result, to establish the level of hazard pay for internationally recruited staff at $1,365 per month as of 1 January 2009. [A/63/30, para. 172]. The Commission also decided to request the CEB/HR Network to submit a report on the results of its review of the harmonization of hazard pay[A/63/30, para. 173].

By its **resolution 63/251**, the General Assembly expressed its appreciation for staff who live and work under hazardous conditions in the service of the United Nations.

2009 **69th session (June/July):** The Commission was provided with a proposed road map for the conduct of the 2010 methodological review of the mobility and hardship scheme. It expressed the view that **the criteria for the payment of hazard pay** should be reviewed in tandem with the methodological review of the scheme, as one of the elements taken into account in measuring hardship is the security factor [ICSC/69/R.13].

The Commission decided to:

(b) **Include hazard pay** in the methodological review [ICSC/69/R.13, para. 69];

2010 **70th (February/March):** The Commission was presented with document ICSC/70/CRP.6 which provided information on extended hazard pay, as well as a description of the special temporary measure for staff serving in Afghanistan.

The Commission decided to:

(l) Take note of developments with regard to hazard pay to date, including the new security level system being developed by the Department of Safety and Security of the United Nations Secretariat;

(m) Postpone the revision of the criteria for the payment of hazard pay as well as consideration of the proposed two-tier system of hazard pay until the new security level system approach has been formally agreed upon;

(n) Request the working group to continue its work on reviewing the relationship between hazard pay, hardship allowance and the security factor under the duty stations classification methodology;

(o) Continue hazard pay and extended hazard pay as is currently the case, using the existing criteria;

(p) Address on a case-by-case basis extraordinary cases similar to the one in Afghanistan, when United Nations staff in a guest house in Kabul were the direct targets of deadly attacks [CSC/70/R.14, para. 57].

71st session (July/August): The Commission was presented with information on the relationship between hazard pay and the security factor under the hardship classification methodology. The United Nations Department of Safety and Security provided indicators from which the security ratings were derived [ICSC/71/R.9, para. 8]. The examination of the security factor led to the conclusion by the working group that the criteria for hazard pay would, by necessity, need to be redefined.

The Commission decided, on the recommendation of the working group to:

(b) Approved the re-designation of "hazard pay" to "danger pay" [ICSC/71/R.18, para. 36 (b)].

2011 **72nd session (March/April):**

The Commission was presented with a progress report of the working group on mobility and hardship which included the review of hazard pay. The group recommended that the term "hazard pay" be changed to "danger pay" and that the new criteria for the payment of a danger pay allowance should replace the current hazard pay. The Commission noted that, based on the new criteria, danger pay would apply as additional compensation over and above what was provided for under the security factor in the hardship scheme only in extraordinary situations where staff were at high risk of becoming collateral damage (namely, locations where very dangerous conditions prevailed) and in situations where they were the direct targets of violence (namely, in acts of terror committed against staff precisely because of their employment by an organization of the United Nations common system). The Commission's intention was for the transition from hazard pay to danger pay to be cost-neutral and for the question of danger pay to be finally decided upon at the Commission's seventy-third session [A/66/30, chapter III.A.].

The Commission decided to discontinue hazard pay and introduce danger pay on the basis of the revised criteria as set out in annex II to the present report, effective 1 January 2012, in order to allow for a timely transition from hazard pay to danger pay [A/66/30, para. 38 (l) and annex II];

73rd session (July): The Commission considered three methods for establishing the level of danger pay, effective 1 January 2012 [A/66/30, paras. 48-53]. It agreed to consider delinking danger pay from the salary scale of locally recruited staff. The Commission noted that currently hazard pay was paid to locally recruited staff serving in designated locations at the rate of 25 per cent of the net midpoint of the applicable local General Service salary scale.

The Commission decided to:

(a) establish, effective 1 January 2012, the level of danger pay for internationally recruited staff at $1,600 per month;

(b) apply, effective 1 January 2012, the payment modalities set out in annex II. Danger pay, unlike hazard pay, would be paid for time away from the duty station on rest and recuperation travel and official duty travel up to a maximum of seven consecutive calendar days;

(c) request its secretariat to conduct a study of the methodology for establishing the level of danger pay for locally recruited staff and report thereon at its seventy-fifth session in 2012;

(d) To review the levels of danger pay for internationally recruited staff every three years;

(e) To establish, pending a review and as an interim measure, the level of danger pay at the rate of 25 per cent of the net midpoint of the applicable local General Service salary scale and adjustments would continue to be made as the salary scales were revised [A/66/30, para. 59].

The General Assembly,

5. Also took note of the conclusions of the Commission with respect to the establishment of danger pay as contained in paragraph 59 of its report;

6. Further took note of paragraph 56 of the report of the Commission regarding the United Nations system-wide financial implications of the establishment of danger pay [66/235].

2012 **74th session (February/March):** The Commission considered document ICSC/74/R.8 on delinking danger pay from the salary scale of locally recruited staff. It also considered the implementation of danger pay in locations recommended by the Department of Safety and Security that met the new criteria* [*A/66/30, annex II].

75th session (July): The Commission considered the current levels of danger pay and the **five** options for adjusting the levels of this allowance for both categories of staff, namely: (1) maintain the same relationship between danger pay and the net midpoint of the applicable salary scales for both categories of staff at the time of each review; (2) maintain danger pay at 30 per cent of the midpoint of the applicable salary scales of the review year for both categories; (3) equalize the amount of danger pay at 30 per cent of the net midpoint of the salary scales for both categories of staff and, thereafter, apply the same adjustments as those applied under the mobility and hardship scheme; (4) gradually equalize the amount of danger pay at 30 per cent of the net midpoint of the applicable salary scales for both categories of staff by applying the same adjustments as those applied to the allowances under the mobility and hardship scheme; (5) apply the same adjustments as those applied to the allowances under the mobility and hardship scheme to the current absolute amounts of danger pay for both categories of staff . The Commission was provided with information on danger pay allowance paid to United States Government civilian employees for service at designated danger pay locations [ICSC/75/R.16].

The Commission decided to:

(a) Extend hazard pay until 31 March 2012 and to implement danger pay as of 1 April 2012 for both internationally recruited and locally recruited staff;

(b) Increase the level of danger pay effective 1 January 2013 to 30 per cent of the net midpoint of the applicable 2012 General Service salary scales of those duty stations qualifying for danger pay, and to delink danger pay effective 1 January 2013 from the applicable General Service salary scales;

(c) Review the level of danger pay for locally recruited staff at the same time as the level for internationally recruited staff is reviewed;

(d) To request its secretariat to put forward options to address the methodology for adjustment of danger pay for both categories of staff [A/67/30, para. 193].

The General Assembly,

3. Recalled that, in resolution 66/235 A, the General Assembly approved the revised rest and recuperation framework linked to danger pay, on the understanding that danger pay would apply only in extraordinary situations where staff were at high risk as a direct consequence of their employment in the United Nations common system, that the number of danger pay recipients would be substantially reduced from the number of recipients of the previous hazard pay and that the implementation of danger pay would result in reduced financial requirements system-wide;

4. Noted with concern that the current situation with regard to the applicability of danger pay is significantly different from that which was presented to the General Assembly during its consideration of the rest and recuperation framework;

7. Requested the Commission to provide, in the context of its report for 2012, an update on the estimated annual system-wide financial implications of the replacement of hazard pay with danger pay, information on the new security management framework and detailed criteria for the granting of the four-week rest and recuperation cycle [66/235 B].

2013 **76th session and 77th session (February/March, July/August**): The Commission continued its comprehensive review of the compensation package with an interim report to the General Assembly (A/68/30, para. 33).

The General Assembly, inter alia,

Requested the Commission not to increase any of the allowances under its purview until the comprehensive review decided in resolution 67/257 had been submitted to the General Assembly for its consideration. [A/RES/68/253].

2014 **79th Session (March**): A working group established by the Commission reviewed the intent and rationale of all location and relocation-related elements of the compensation system to streamline and remove overlaps. Regarding danger pay, the working group did not to propose any changes.

2016 **83rd Session (July/August)**: The Commission conducted a review of the levels of existing allowances and a status of implementation of the new common system compensation package.

The Commission decided: on a review schedule for the level of allowances under its purview; danger pay would be reviewed every three years with the first review scheduled for 2017; an appropriate methodology be developed for the adjustment. [A/71/30, para. 92(a) and Annex IV].

2017 **85th Session (July)**: The Commission considered a methodology for adjustment of the danger pay and a review of the level of the allowance.

The Commission decided:

(a) With regard to the methodology for adjustment of danger pay levels:

(i) For internationally recruited staff: use as a reference the three indicators applied for the hardship allowance and the relationship between danger pay and the net midpoint of the base/floor salary scale in effect in the year of the scheduled review.

(ii) For locally recruited staff: confirm that the level would be set at 30 per cent of the applicable General Services salary scales and use as a reference the net midpoint of the applicable scales in effect in the year prior to the scheduled review.

(b) With regard to the level of the allowance:

(i) Maintain the level of danger pay for internationally recruited staff at $1,600 per month until the next review.

(ii) Update the level of danger pay for locally recruited staff by updating the reference year of the salary scales on which the calculations were based, from 2012 to 2016, and applying 30 per cent to the net midpoint of those scales.

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(c) Conduct the next review of danger pay in 2020 in accordance with the established schedule [A/72/30, para. 181].

2020 **90th session (October)**: The Commission conducted a review of the levels of danger pay for internationally and locally recruited staff.

The Commission decided to:

a) Update the level of danger pay for internationally recruited staff to $1,645 per month, with the effect from 1 January 2021.

b) Update the monthly level of danger pay for locally recruited staff with the effect from 1 January 2021 by updating the reference year of the salary scales on which the calculations were based, from 2016 to 2019, and applying 30 per cent to the net midpoint of the latest General Service salary scales in effect in 2019 divided by 12.

c) Conduct the next review of danger pay level in 2023 in accordance with the established schedule (A/75/30, para. 135).

The General Assembly expressed appreciation for the valuable work done under hazardous conditions by the international and local field staff of the Organization and in that regard took note of the decision of the Commission as reflected in paragraph 135 of its report to increase danger pay effective 1 January 2021 [A/RES/75/245].

SECTION 7.50
GENERAL SERVICE STAFF AT FIELD DUTY STATIONS

1979 **9th session (February/March)**: ICSC began a study of the special problems relating to the conditions of service of staff of the GS category away from headquarters duty stations *[A/34/30, para. 182]*.

1981 **13th session (February/March)**: At the request of FICSA, ICSC addressed three specific questions: security of tenure and career structure; methodology for salary surveys; and dependency allowances. It reviewed proposals concerning security of tenure and career structure and took the following decisions: (a) reaffirmed its previous decision with respect to the Inter-Organization Transfer Agreement (see section 9.110) and confirmed that that decision was meant to apply equally to staff members in field duty stations; (b) in considering whether organizations with offices in field duty stations should be required to consider for appointment staff members whose fixed-term contracts in other organizations were about to expire, ICSC affirmed that the common prospection procedures it had established also applied to staff members in field duty stations; (c) in respect of a common system of staff evaluation for both P and GS staff, ICSC noted that its recommendations concerning performance appraisal policy and the appraisal form which it was adopting were to apply to all categories of staff; (d) concerning security of tenure, probationary periods and the link between job classification standards and the expected level of qualification, ICSC noted that CCAQ had established a joint working group with FICSA to review such personnel policy questions and instructed its secretariat to participate in its work as an observer; (e) concerning the development of a methodology for salary surveys in the field, ICSC recalled its thorough deliberations and the decisions taken on the subject in the context of its plan for the overall review of the general methodology for determining GS conditions of service *(see paras. 121-125 of A/36/30)*; (f) on the matter of dependency allowances, ICSC confirmed that its study of the subject within the overall review of the general methodology would deal with HQ and non-HQ staff alike, in compliance with its responsibility under articles 10 and 11 of the statute. ICSC recalled that the subject of other allowances, including dependency allowances, was scheduled for the second phase of its overall review *[A/36/30, paras. 163-164]*.

1983 **18th session (July/August)**: ICSC instructed its secretariat to develop further the work on conditions of service in the field, in particular to pay more attention to GS problems, particularly career elements of service, including possible pilot schemes for circulation of vacancy notices *[A/38/30, para. 121(e)(ii)]*. ICSC also requested its secretariat to submit to it at its 20th session information on the differences in medical schemes affecting GS staff in the field *[A/38/30, para. 123(b)]*.

SECTION 7.60
REST AND RECUPERATION

2008 The General Assembly, by resolution 63/250 of 24 December 2008, "approved the introduction of a rest and recuperation scheme to include travel time appropriate to the location, but no payment of travel to the staff member, for internationally recruited staff members in United Nations field operations to replace the occasional recuperation break, effective 1 January 2009;".

2010 **70th session (February/March):** The Commission in its consideration of the harmonization of conditions of service of internationally recruited staff serving in non- family duty stations reiterated that the practice of paid rest and recuperation for all staff of the common system should be harmonized across all organizations of the system, including the United Nations. It recalled its earlier proposal that travel expenses be paid by the organization to the designated place of rest and recuperation, but that daily subsistence allowance not be payable to staff who were in receipt of the special operations living allowance, ICSC/70/R.14, para. 89.

The Commission decided: (e) To request the United Nations to provide: (iv) Details on how the indicative cost of $700 was arrived at for the travel related to rest and recuperation; (v) Details of exactly what travel expenses the United Nations is proposing be covered, airfare/terminal expenses; daily subsistence allowance or any other cost; (g) To recall its recommendation to the General Assembly that paid rest and recuperation apply to all common system organizations, including the United Nations Secretariat; (h) To reiterate its recommendation to the General Assembly that the designation of non-family duty stations be harmonized across the common system ICSC/70/14, para. 90.

71st session (July/August): The Commission in its consideration of the harmonization of the rest and recuperation arrangements, endorsed the proposed common system framework for rest and recuperation and welcomed the fact that it harmonized the approach taken by organizations. The measure was seen as crucial to the effective delivery of programmes and activities and as a way of relieving the accumulated stress of service in the difficult and dangerous conditions that characterized non-family duty stations.

The Commission decided to recommend to the General Assembly:

1. That the Assembly recommend the proposed harmonized rest and recuperation framework, as shown in annex XI of its report (A/65/30);
2. That it encourages organizations to absorb, to the extent possible, the additional costs imposed by the framework (annex XI) within existing resources. A/65/30, para. 243.

The General Assembly in its resolution 65/248, section C:

8. Decided that the organizations of the United Nations common system shall cover only the travel costs of the rest and recuperation framework, until a further decision of the General Assembly on this issue is taken at its sixty-seventh session;

10. Requested the Commission to submit recommendations to the General Assembly at its sixty-seventh session concerning the United Nations common system harmonized subsistence allowance or lump sum during rest and recuperation; recuperation;

11. Requested the Secretary-General to identify offsets that can be used to implement the Commission's proposals on a harmonized subsistence allowance or lump sum during the rest and

recuperation break in a cost-neutral manner without impacting on operational costs and without undermining the implementation of mandated programmes and activities;

19. Decided that the rest and recuperation framework should be regulated by the Commission;

20. Requested the Secretary-General to ensure that rest and recuperation entitlements are used by staff in a timely and effective manner, A/RES/65/248, Section C.

2011 **73rd session (July):** The Commission considered document ICSC/73/R.12 which described detailed information on the operation of the rest and recuperation framework as currently applied by the organizations, and that reflected the views of organizations on the extent to which the rest and recuperation mechanism had an impact on programme delivery. Organizations reported that the focus of the scheme was to protect the health and well-being of staff serving in difficult locations in order to ensure optimal performance upon the resumption of service following the periodic breaks provided by the framework.

The Commission viewed the rest and recuperation mechanism as an essential part of a broader package of measures and urged the organizations to encourage staff to use it in a timely and effective manner. It stressed the need for organizations that deployed staff to such locations to ensure that, to the extent possible, postings in hardship areas were shared equally by all staff.

There was concern on whether the authorized absence on rest and recuperation five working days should be as currently reflected in the approved framework, or five calendar days as currently applied by some organizations.

The Commission decided:

1. To promulgate a revised set of criteria for the granting of rest and recuperation travel, and the corresponding frequencies of travel, as shown in annex VIII of the report (A/66/30), with an effective date of 1 January 2012;
2. To recommend to the General Assembly that the period of authorized absence on rest and recuperation as stipulated in the approved framework (A/65/30, annex XI, para. 2) be amended from consecutive working days to five consecutive calendar days, plus approved travel time, A/66/30, para. 238.

The General Assembly in its resolution 66/235:

Recalled paragraph 19 of section C of its resolution 65/248, requesting the Commission to regulate the rest and recuperation framework;

Approved, with effect from 1 January 2012, the revised set of criteria for the granting of rest and recuperation travel and the corresponding frequencies of travel as contained in paragraph 238 and annex VIII of the 2011 report (A/66/30) of the Commission, A/RES/66/235 (An addendum to the Commission's report was subsequently issued with corresponding decision by the General Assembly as described below)

An urgent and immediate request to the Commission to reconsider the rest and recuperation framework proposed in the Commission's annual report for 2011 and approved by the General Assembly in section C of its resolution 66/235 was received from the United Nations Secretariat. This is discussed in the addendum to ICSC's 2011 annual report (A/66/30/Add.1)

The Commission requested the General Assembly to consider approving the revised set of criteria for granting rest and recuperation travel and the corresponding frequency of travel shown in the annex, with an effective date of 1 July 2012 (A/66/30/Add.1, Annex).

The General Assembly in its resolution A/RES/66/235 B. inter alia,)

Approved, with effect from 1 July 2012, the revised set of criteria for the granting of rest and recuperation travel and the corresponding frequency of travel, as set out in the annex to the addendum to the report of the Commission; (A/66/30/Add.1); and

Requests the Commission to provide, in the context of its report for 2012, an update on the estimated annual system-wide financial implications of the replacement of hazard pay with danger pay, information on the new security management framework and detailed criteria for the granting of the four-week rest and recuperation cycle. A/RES/66/235 B

2012 **74th session (February/March):** The organizations brought to the attention of the Commission a practical operational problem regarding the four-week cycle. The conditions for that cycle are "extreme emergency situations", where danger pay is authorized by the Chair of the Commission. When the four-week cycle was discussed during the Commission's seventy-third session, the danger-pay locations had not yet been determined. Given the stricter criteria for locations that would receive danger pay, it was expected that there would be fewer locations than has proved to be the case. The organizations were of the opinion that an automatic link between the four-week cycle and danger pay would make managing operations for a prolonged period difficult. They recalled that their proposal had been to introduce a cycle of between four and six weeks, as that would give organizations some flexibility to grant the shorter cycle at the onset of a very grave situation and then move to five and six weeks as the situation improved. The granting of the four-week cycle and its phasedown to five and six weeks would be determined by the Human Resources Network field group in order to ensure a harmonized approach. The Commission decided to continue discussion of this issue at its next session ICSC/74/R.9, chapter IX.

75th session (July): The Commission was provided with options relating to accommodation costs incurred while staff travel for purposes of rest and recuperation, ICSC/75/R.14. The Commission also considered the criteria for granting the four-week rest and recuperation cycle.

The Commission recalled that it had not looked at the entire package of benefits, including the additional hardship allowance, danger pay and others. As such there was not a compelling case for the introduction of a new allowance at this time. Furthermore, the General Assembly had indirectly stopped the payments for the accommodation portion by authorizing payment of only travel costs. It was further recalled that the Commission had recently decided to continue the payment of danger pay during rest and recuperation travel, which amounted to some $350 per travel. It was pointed out that only approximately 20 per cent of rest and recuperation locations received danger pay. The utilization rates of rest and recuperation travel would also be examined.

With regard to the lump-sum amount for the accommodation portion of rest and recuperation: The Commission decided to: (a) Defer consideration of an allowance for the accommodation portion of rest and recuperation travel; (b) Request the Human Resources Network to provide the ICSC secretariat with information on the cost and utilization rates of rest and recuperation travel, A/67/30, para. 220.

With regard to the four-week rest and recuperation cycle which is not a part of the regular rest and recuperation framework:

The Commission decided on the following:

(a) The Chair, under the delegated authority of the Commission and upon the recommendation of the CEB/Human Resources Network, may approve the four-week rest and recuperation cycle for very exceptional cases as long as the conditions for granting it exist. In doing so, the Chair's decision to approve and to terminate the four-week cycle will take into consideration the views of the Department of Safety and Security, as well as other sources who have close knowledge of the conditions in the particular locations;

(b) The four-week rest and recuperation cycle will be dealt with on a case-by-case basis and will be granted when conditions over and above those required for eligibility of the six-week cycle are deemed to exist. The locations approved for the four-week cycle will be reviewed every three months. An appropriate transition period will be given when the four-week cycle is no longer required, A/67/30, para. 231.

2014 **79th session (July/August):** The Commission considered the rest and recuperation framework as part of the review of the common system compensation package. The Commission viewed the rest and recuperation mechanism as an essential part of a broader package of measures seen as crucial to the effective delivery of programmes and activities and as a way of relieving the accumulated stress of service in the difficult and dangerous conditions that characterized non-family duty stations. It noted, however, that there were overlaps with other travel provided by the organization under the accelerated home leave, family visit and education grant (including additional education grant travel). It observed that the current rest and recuperation cycles could be too frequent in the sense that rest and recuperation could not be utilized 100 per cent by staff owing to the other travel provisions already in place and compared with the scheme of the comparator, which had less frequent provisions but was utilized fully. Therefore, the Commission considered that the rest and recuperation framework needed to be redesigned in order to be brought closer to the reality and that, for that purpose, the comparator's approach could be considered as a good starting point. The need to move from the current approach of "frequency cycles" to "number of required breaks", similar to the approach used by the comparator, was also highlighted. In that regard, the Commission was in agreement that the working group should look into the possibility of streamlining the rest and recuperation framework in order to accommodate an approach that emphasized breaks instead of the present approach of frequency cycles. There were primarily two basic scenarios in the field that would require rest and recuperation breaks. One would be non-family duty stations, which should be covered under the rest and recuperation framework and the other would be extremely stressful conditions, where staff members, for example, worked daily with victims and lived in cramped and overcrowded compounds, often in isolated and dangerous locations.

The Commission was in agreement that the second scenario should be kept outside the framework, as was presently done for four-week-cycle locations. The Commission considered that rest and recuperation breaks should not be granted within six months of the beginning or end of an assignment for staff who were serving in duty stations that were eligible for rest and recuperation.

The Commission decided to request its secretariat to coordinate and consult with the organizations and staff federations for suitable proposals and analyse proposals for the presentation at the next meeting of the working group established, inter alia, to look into this aspect, ICSC/79/R.10, paras. 156-165.

2015 **(also see sections 4.60, 7.20 and 7.40).**

2015 80th session (March): The Commission recalled its prior consideration of the rest and recuperation framework. The framework was seen as a way to relieve accumulated stress under the difficult and dangerous conditions that characterized non-family duty stations. It was an important tool

for both the wellbeing of staff members and the effectiveness of operations, although it was important to manage its frequency carefully. The Commission noted that because the current framework, endorsed by the General Assembly as at 1 July 2012, was rigid and did not provide flexibility to staff or managers, the right balance needed to be struck between the health and wellbeing of staff and programme delivery. While staff should be able to take leave when they were stressed, the judgement of managers should also be taken into account in providing breaks, rather than being subject to the mechanical application of a scheme. Therefore, in order to enable flexible utilization of the framework, the Commission considered that there could be a minimum and a maximum duration between breaks, based on conditions at the duty stations. The Commission also noted the existence of other paid travel provided by the organizations, such as home leave, family visit and education grant travel. In keeping with its previously expressed view regarding the overlap between accelerated home leave travel and rest and recuperation travel, the Commission recommended that accelerated home leave travel be discontinued and that family duty stations with high hardship levels continue to be covered within the rest and recuperation framework, A/70/30, chapter VII.H.4.

The Commission decided: (a) To maintain the current rest and recuperation framework; (b) To discontinue accelerated home leave travel, A/70/30, para. 443.

The General Assembly decided: To maintain the provisions of the current rest and recuperation framework, as proposed by the Commission in paragraph 443 (a) of its report and to discontinue accelerated home leave travel, except at category D and E duty stations that do not fall under the rest and recuperation framework, A/RES/70/244, section III. 10.

CHAPTER 8
JOB CLASSIFICATION
(GENERAL ISSUES)

SECTION 8.1.10
DEFINITIONS OF PROFESSIONAL LEVEL AND GENERAL SERVICE WORK

1979 **9th session (March)**: ICSC recognized the importance of developing a methodology for distinguishing between Professional level and General Service level work, since some organizations placed certain jobs in the P category whilst other organizations (sometimes within the same duty station) placed the same jobs within the GS category. It decided to include this item in its work programme *[A/34/30, para. 200]*.

1980 **12th session (July/August):** ICSC considered proposals submitted by CCAQ for such a methodology. The representative of CCAQ explained that the proposed methodology involved the use of two steps. The first step consisted in comparing the occupational group of the post to the Common Classification of Occupational Groups (CCOG) approved by ICSC and which categorizes occupational groups as either P level or GS level. The post under review, therefore, would be categorized in accordance with the occupational group to which it belonged. If this were not sufficient to make a determination, the second step would be used. Step 2 consisted of analysing the post under review in accordance with the following narrative description of P level work:

"Professional work is analytical, evaluative, conceptual, interpretive and/or creative and thus requires the application of the basic principles of an organized body of theoretical knowledge, such as a field of science, learning or specialized discipline. It is intricate and involves a level of difficulty and complexity requiring the identification and consideration not only of the interrelationships between its constituent elements, which are of a varied and diverse nature, but also the broader context and perspective within which it is performed, including its impact on, and interrelationship with, the larger objectives and programmes of the Organization. It requires judgement in analysing and evaluating problems and in decision-making involving discretionary choices between alternative courses of action. Professional work requires the understanding of an organized body of theoretical knowledge which is of a level equivalent to that represented by a university degree. While this knowledge is customarily and characteristically acquired through formal education, it may, in some fields of learning or ICSC decided, subject to a periodic review, to approve the methodology proposed by CCAQ for use within the organizations of the common system when determining whether a given post should be placed in either the P or the GS category *[A/35/30, paras. 259-262]*.

1987 **26th session (July)**: ICSC reviewed the following definition of GS work developed by its secretariat in close consultation with the CCAQ Sub-Committee on Job Classification (SCJC):

"General Service work is procedural, operational or technical in nature and supports the execution of the programmes of the organization. It ranges from simple, routine or repetitive duties based on following detailed instructions to varied and complex assignments requiring identification and consideration of alternative course of action based on extensive and in-depth practical knowledge of a specific subject area. The assignments are generally performed on a continuing basis. The knowledge of the subject field and higher-level skills are generally developed through long experience and familiarity with applicable procedures, regulations and precedents or projects of the Organization in a narrow technical field or in an administrative support activity."

ICSC was requested to promulgate the definition to be used as a step in the methodology for distinguishing between P and GS work *[A/42/30, para. 247]*.

Following some clarifications by its secretariat, ICSC decided: (a) to promulgate the definition of GS work and adopt the two-step procedure for the determination of this level of work; (b) to note that this procedure would be included in the revised version of the CCOG *[A/42/30, para. 251]*.

2009 **69th session (June/July):** The Commission decided to approve the new definition of General work as follows: [A/64/30 para.113]

"The General Service category contributes to the execution of the programmes of the organization through work that is p rocedural, operational and technical. These functions support programme and process continuity and are central to efficient service delivery. The work ranges from routine or repetitive work undertaken in line with detailed instructions, to functions that are varied, complex and paraprofessional, requiring identification and consideration of alternatives,sometimes requiring analysis, and based on extensive and in -depth knowledge of a specific subject area.

General Service work involves the application of specific knowledge gained through experience and familiarity with the procedures of the organization. The performance of General Service functions often requires post - secondary education and technical or administrative training." [A/64/30 Annex VIII].

SECTION 8.1.20
COMMON CLASSIFICATION OF OCCUPATIONAL GROUPS

1978 **8th session (July):** ICSC noted that the absence of a single method commonly applied by the organizations of the common system for classifying or categorizing the different occupations that existed among their staffs hindered the meaningful exchange of information and compilation of personnel statistics that was necessary for ICSC and other interorganizational bodies in carrying out their functions. It recognized that a common classification was necessary not only to eliminate these problems, but also to pave the way for the development within the common system of improved systems in other areas of personnel management. The classification was a necessary prerequisite for the establishment of career development as it would provide information on the types and number of jobs that existed, help to identify career paths within and between occupations, identify occupations having more or less promising career potential and consequently provide the information necessary for any meaningful career counselling. It would aid manpower planning by determining the turnover of populations within occupational groups thereby permitting more accurate predictions of the type and number of future openings. The classification would aid recruitment by identifying those occupations for which recruitment could be conducted jointly and by facilitating the preparation, where possible, of commonly understood, standardized notices of vacancy. Training programmes could be better designed to help the organizations meet projected needs or to help staff members adapt to different occupational areas which provided greater career opportunities. The classification would also be useful in carrying out GS salary surveys, as it would provide readily usable data on the occupations to be surveyed. However, the area for which a common classification was most needed was that of job classification. In that respect, the common classification would identify the fields of work common to several of the organizations for which ICSC's statute required that job classification standards be established; ICSC reaffirmed the importance of such standards and its intention to establish them as early as possible. For all these reasons it asserted the importance of establishing a common classification of occupational groups. Having regard to the urgent need manifested at the present moment in many quarters for such a classification and in order to avoid duplication of effort and encourage harmonization, ICSC considered that it was highly necessary that, as the body having central responsibility for such matters, it should draw up such a common classification within the shortest period which would permit due account to be taken of the views of all interested parties *[A/33/30, para. 310]*.

Framework of a CCOG ICSC recognized that a Common Classification of Occupational Groups (CCOG) should: (a) set out a listing of all or most of the individual occupations that existed within the organizations of the common system; (b) group these occupations and suboccupations into categories of work on the basis of similarity of function; (c) provide detailed definitions for each of the groups, subgroups and occupations; (d) provide a numerical coding for each entry in the system for electronic data processing purposes; (e) be applied by all of the organizations and bodies within the common system as regards interorganization personnel matters.

ICSC gave its preliminary approval to a global schema or framework for the CCOG to be applied within the common system. The global schema is a listing of the occupations existing within the organizations of the common system grouped by categories of work on the basis of similarity of function (thus meeting requirements (a) and (b) above). The global schema provides for the following four levels of categorization: (a) the "Occupational Group" (e.g. "Professional, Managerial, Technical and related workers"); (b) the "Family" (e.g. "Architects, Engineers (and Related Technicians)"); (c) the "Field of Work" (e.g. "Civil Engineers"); (d) the "Occupation" or "Speciality" (e.g. "Sanitary Engineers") *[A/33/30, paras. 311 and 312]*.

1979 **10th session (August)**: ICSC considered the structure of the classification and the texts of each of its definitions. The classification covered occupations in which all categories of staff may be found, including Local, Manual, General Service, Professional and higher categories in both project and non-project situations. ICSC (a) approved the CCOG as the framework within which occupational data would be compiled or exchanged for all interorganizational personnel matters and recommended its use within individual organizations when compiling personnel statistics or exchanging personnel-related information; (b) requested the organizations to review their jobs to determine into which occupational groupings they fell and to provide the resulting statistical breakdown to the ICSC secretariat by 31 December 1979 *[A/34/30, para. 186]*.

ICSC also considered the procedure for future revisions to the classification. Revisions in the global schema and definitions would be required from time to time as occupations evolved. While modifications in the classification might be more numerous in the initial stage of implementation, it was not expected that the number of changes in subsequent years would be significant enough to require the continuing attention of ICSC. It was therefore decided that the ICSC secretariat would, after consulting the representatives of organizations and staff, effect future changes in the classification and report these to ICSC as required *[A/34/30, para. 188]*.

1983 **17th session (March)**: ICSC took note of the secretariat's proposals to revise the CCOG for professional, managerial and technical work *[ICSC/17/R.28, para. 148 and A/38/30, para. 129]*.

1987 **26th session (March):** The CCOG was submitted to ICSC for information in conjunction with ICSC's review of the definition of GS work developed by the secretariat in close consultation with the SCJC. ICSC promulgated the definition *(see section 8.1.10)* and noted that the procedure to be followed would be included in the revised version of the CCOG *[A/42/30, para. 251]*.

1989 **29th session (March):** ICSC decided to request organizations that had not yet applied the CCOG to existing jobs to extend the coding to such jobs and to report thereon to ICSC in 1992 *[A/44/30, vol. I, para. 97(c)]*.

1993 **37th session (February/March):** ICSC noted a reported high rate of implementation of the CCOG. Since the use of the CCOG appeared to be limited to job classification, ICSC trusted that the ongoing review of that scheme would facilitate its application to other areas of human resources management *[A/48/30, para. 249]*. The organizations were invited to participate actively in the forthcoming revision of the CCOG and to complete the implementation of the CCOG coding scheme for all posts *[A/48/30, para. 261 (d)]*.

38th session (July/August): ICSC reiterated the need for organizations to use the CCOG more dynamically and to propose amendments to the scheme if it was not working properly for them *[A/48/30, para. 217]*.

1995 **41st session (May):** In the context of a report on the implementation of its decisions and recommendations *(see section 12.10)*, ICSC: (a) took note of the information provided on CCOG implementation and the development of linkages between job classification and other areas of human resources management; (b) expressed satisfaction at the generally high rate of CCOG implementation and invited organizations concerned that had not yet done so to expedite the completion of CCOG coding; (c) requested the secretariat to complete its review of CCOG as soon as possible, with a view to assisting the organizations to build better linkages between job classification and other components of human resources management *[ICSC/41/R.19, para. 371 (g)]*.

2009 **69th Session (June/July):** Within the context of the review of the job evaluation standards for the General Service and related categories, the Commission decided to approve changes to the Common Classification of Occupational Groups. [A/64/30 para.113].

2013 **77th session (July-August):** In the context of monitoring the implementation of the master standard for job evaluation for Professional posts (including the random sampling of jobs), the Commission's secretariat highlighted,inter alia, the fact that the Common Classification of Occupational Groups codes had become outdated, causing some organizations to discontinue their use of them.

The Commission decided, inter alia: To urge organizations to continue to apply the Common Classification of Occupational Groups (CCOG) codes; and to request its secretariat to review the CCOG codes by means of a technical working group that included the secretariat, representatives of the organizations and representatives of the staff [ICSC/77/R.15, para. 73 (c) and (d)].

2015 **80th session (March)**: The Commission had for its consideration and approval proposed changes to the common classification of occupational groups. The Commission was informed by its secretariat that it had worked with a technical working group to update the classification as requested by the Commission at its seventy-seventh session. The proposal had been sent to all common system organizations for comments and some had already responded.

The Commission noted that the technical working group had proposed a significant reduction in the number of occupational groups. (The number of occupational groups would be diminished to one third of the present number by merging certain occupations). Although it was agreed that the common classification of occupational groups should be streamlined, the Commission expressed doubt concerning the ability of organizations to identify some occupations and whether the new grouping would allow for precise comparison with external organizations. The Commission considered that all organizations should have an opportunity to review the changes and state whether they met their needs [ICSC/80/R.9, para. 205].

The Commission took note of the proposed changes and decided that its secretariat should submit final proposals for approval at its eighty-first session after full consultation with the organizations and after all organizations had responded, ICSC/80/R.9, para. 206.

81st session (July/August): The Commission was presented with proposed changes to the common classification of occupational groups by its secretariat. It was informed that in accordance with its request at its eightieth session, the technical working group, consisting of the ICSC secretariat and job classification specialists from some of the common system organizations, had reviewed and updated the occupational codes after consulting with the organizations of the common system. The ICSC secretariat had conducted a review of the classification of posts in the Professional and higher categories and had reported that 90 per cent of the posts reviewed had been correctly graded. The Commission also noted that other human resources practices in the United Nations system were built on the job classification system and that the common classification of occupational groups was the basis by which the common system compared with external organizations; hence, it was important to keep it updated. The Commission observed that titles and areas of work had been modernized by the deletion of some titles, the merging of some groups and the addition of new occupational groups. In that regard, the Commission noted that many of the newly incorporated occupational groups were administrative in nature. It therefore requested its secretariat to ensure that new scientific and technical specialties in the common system were being duly included in the list,

The Commission decided: (a) To approve the framework for the common classification of occupational groups as outlined in annex II to the present report (ICSC/81/R.13); (b) To urge organizations of the common system to utilize the common classification of occupational groups; (c) To request its secretariat to periodically update the common classification of occupational groups by effecting changes after consulting with representatives of the organizations and of the staff, and to keep the Commission informed of the results, [ICSC/81/R.13, para. 49.].

2018 **87th session (July)**: The Commission considered the implementation of the job classification standards for General Service positions by the UN common system organizations.

The Commission decided, inter alia, to: Underline the importance of sound data relating to job classification to allow for the effective monitoring of the implementation and application of the global standard by the organizations and the Commission; and request the organizations to ensure the full implementation of the Common Classification of Occupational Groups for the General Service approved by the Commission in 2009; [ICSC/87/R.13, para. 70(a) and (b)].

2022 93rd session (March-April): At its ninety-third session, the Commission considered a report prepared by its secretariat detailing the results of a questionnaire circulated to the Common System to gather information related to the implementation of the CCOG. The report found that the extent to which the organizations have implemented CCOG for various human resources processes and were able to provide relevant data on jobs by CCOG code in response to the questionnaire varied greatly. According to the questionnaire, 23 of the 27 responding organizations used the CCOG in the context of job classification. Additionally, 5 organizations reported using other occupational classification systems (3 of these 5 organizations used them along with the CCOG). [ICSC/93/R12]

The Commission decided to:
(a) Request its secretariat to establish a technical task force with participation from the organizations and staff federations to thoroughly review the CCOG and make any revisions as needed, and to report on the progress made in that regard at the Commission's ninety-fifth session;
(b) Reiterate the importance of organizations ensuring that they have systems in place to accurately record the CCOG at the job classification stage and to provide to the Commission and other bodies timely information by CCOG code for all jobs in their organizations, as needed;
(c) Reiterate the need for organizations to implement the CCOG correctly for all posts in their organizations. [ICSC/93/R12, para. 44]

93rd session (March-April): The Commission considered a report prepared by its secretariat detailing the results of a questionnaire circulated to the Common System to gather information related to the implementation of the CCOG. The report found that the extent to which the organizations have implemented CCOG for various human resources processes and were able to provide relevant data on jobs by CCOG code in response to the questionnaire varied greatly. According to the questionnaire, 23 of the 27 responding organizations used the CCOG in the context of job classification. Additionally, 5 organizations reported using other occupational classification systems (3 of these 5 organizations used them along with the CCOG). [ICSC/93/R12]

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(c) Reiterate the need for organizations to implement the CCOG correctly for all posts in their organizations. [ICSC/93/R12, para. 44]

SECTION 8.1.30
JOB CLASSIFICATION AND CAREER DEVELOPMENT

1979 **10th session (August)**: ICSC noted that job classification provided a structure within the organization which was conducive to career development. It established the skeleton or network of jobs within which career moves take place. By ensuring that a higher-graded job had higher-level duties and responsibilities it also ensured that a promotion to that job would mean a more challenging assignment and one which was more likely to further develop the incumbent's future career potential. By requiring a move to a job of higher responsibilities in order to achieve promotion, it discouraged the practice of promoting individuals while retaining them in the same job. Careers in which the staff member received several promotions over a period of 15 or 20 years but remained in the same position were far less stimulating and rewarding than those in which the same promotions were received by changing jobs and thereby broadening one's exposure to, knowledge of, and potential contribution to the organization's programmes. Job classification also encouraged lateral movement, which in the long run, was essential in implementing individual and organizational career plans *[A/34/30, paras. 220 and 221]*.

ICSC recognized that while the overall effect of job classification was normally contributory or supportive, it could lead in particular instances to results which may impede career development. In cases such as these, where the dictates of job classification called for measures contradictory to those required by career development, it should be analysed in which way the larger objective of sound personnel management could be best achieved. The most desirable action may be to effect an upward revision in the grade(s) of the job(s) in order to promote career development. In this case the objective of equal pay for work of equal value is abandoned in favour of the objective of achieving maximum possible fulfilment of career development needs. On the other hand, it might be deemed more feasible to block career development within a particular career path in order to retain overall grade relativities, thus opting for the objectives of job classification rather than those of career development. In any case the decision should be made taking into account the subsidiary and long-range effects which might potentially be caused *[A/34/30, para. 225]*.

ICSC considered that any decision to modify grade relativities in order to promote career development might be guided by the following considerations: (a) any reclassifications made should be justified on the basis of job structure rather than on individual considerations. Hence, a job may be reclassified in order to produce an organizational structure, for example, in career paths within certain occupational groups, which was more conducive to career development for all individuals within that structure; but an individual should not be reclassified merely to promote his or her individual career if the resulting organizational structure was not justified from either a career development or job classification point of view; (b) reclassifications without a concurrent modification in the level of duties and responsibilities should be avoided because they normally were not in the long-range developmental interests of either the individual or the organization.

Furthermore, they may, in the case of upgradings lead to similar claims from other staff members which might be justified in terms of equality of treatment, but which were not required for either career development or job classification reasons. Finally, such upgradings would lead to grade inflation both immediately and over time, for when the incumbent vacated the position, it became difficult to re-establish the grade at its proper level for all future incumbents; (c) when reclassifying jobs under justified career development conditions, efforts should be made to redesign those jobs, either by increasing or decreasing responsibilities, in order that the grades of the reclassified jobs were justified by being consistent with internal grade relativities. In fact, the redesign of such jobs would also be necessary in terms of career development considerations; (d) changes in grade relativities should be considered only as a last resort after efforts to develop careers within established grade structures had

been tried without success. They should be viewed therefore as purely exceptional measures to be taken only in special situations *[A/34/30, para. 226]*.

While a comprehensive personnel management system with effective job classification and career development subsystems normally would not allow the use of "**personal promotions**" (i.e., promoting an individual without moving him or her to a higher level of duties and responsibilities) neither would it permit retaining an individual at a grade lower than the grade of the position, the duties and responsibilities of which he or she was satisfactorily carrying out. It did not follow from this that the reclassification of a job to a higher grade level should automatically result in the promotion of the incumbent to the higher grade since the incumbent might not be fully or satisfactorily carrying out the duties and responsibilities of the job at the higher level. However, it did imply that when the incumbent had satisfactorily carried out the duties and responsibilities at the higher level for a given period of time he or she should be promoted to the higher grade. If this was not done, the global objective of equal pay for work of equal value is placed in jeopardy and a lack of confidence in both the job classification and career development systems resulted *[A/34/30, para. 227]*.

1982 **15th session (March):** ICSC believed that common job classification standards provided a solid foundation for integrated personnel management in the common system, and that the job information derived from the job classification exercise could provide a valuable database for other elements of such an integrated system aimed at career development. Proper classification of jobs implied the proper structuring of work, and thereby the identification of clearly distinct stepping stones on the career path *[A/37/30, annex II, para. 37]*.

16th session (July): ICSC recommended that governing bodies ensure that organizations had the necessary flexibility, within certain confines such as the overall grade-mix, to implement classification decisions, both upward and downward, within the duration of a given budgetary period, in the interest of maintaining a proper structure of jobs at grade levels reflecting the reality of work. ICSC further recommended that organizations maintained adequate links between their job classification activities and their budgetary processes, recruitment programmes, training programmes, human resources planning programmes, career planning programmes and promotion machinery, in order to ensure that the job information generated by job classification was used to maximum advantage *[A/37/30, annex I, paras. 19 and 20]*.

In resolution 37/126, the GA recommended that the three-tiered job classification system developed by ICSC, based on a Master Standard of common system job classification standards, be applied to ensure optimal equity in remuneration as well as a sound basis for human resources planning and career development, and that personnel policies of organizations of the common system be harmonized with the job classification system promulgated by ICSC.

1993 **38th session (July)**: ICSC reviewed a report on job classification in the common system which analysed the relationship between job classification and other areas of human resources management (compensation; human resources planning and career development; staffing, and performance evaluation), with a view to strengthening those linkages *(ICSC/38/R.17)*. Problems with the application of job classification standards were examined and practical solutions thereto were advanced.

ICSC noted that significant efforts and resources had been devoted to the development and implementation of a common approach to job classification. It took note of the classification standards and tools that had been developed, and noted the need to ensure their continued accuracy and relevance to the work of the organizations, through regular review and updating. ICSC further noted that: (a) the systematic capturing and dissemination of job-related information was the key to forging effective links between job classification and other components of human resources management; (b) emphasis should be placed on providing support to managers in the area of organizational and job design; (c) a

better communication and training strategy was required in order to generate greater consensus and support for the job classification function and reduce the strain placed on the system. With regard to (a), ICSC reiterated the need for organizations to use the Common Classification of Occupational Groups (CCOG) more dynamically and to propose amendments to the scheme if it was not working properly for them. Concerning (b), ICSC saw the issue of increased managerial accountability for job classification decisions as paramount. It noted with satisfaction the organizations' intention to focus attention on that aspect. Existing mechanisms, such as underfilling or personal promotions, provided the necessary flexibility in the administration of job classification. The key to effective linkages between job classification and other components of human resources was the translation of the current and future operational needs of the organizations into a structure that also took into account their human resources needs. Regarding (c), ICSC reaffirmed that an information and training programme was essential in order to remove what appeared to be widespread misperceptions about the potential and the limitations of job classification.

ICSC concluded that the perceived difficulties of job classification stemmed from its application rather than its conception. Although job classification was criticized as rigid, any rigidity resulted from financial constraints, not job classification: in the United Nations system as elsewhere, the possibilities of advancement were limited because resources were not unlimited *[A/48.30, para. 221]*.

ICSC decided: (a) to note the progress achieved in the development of job classification standards and the ongoing need to maintain their accuracy and relevance. Assistance should be provided to programme managers in the area of organizational design and job design (job analysis) and in utilizing more effectively the information generated by job classification; (b) to pursue the development of practical solutions to problems identified in the administration of the job classification system in consultation with the organizations; (c) to reaffirm that job classification was compatible with, and indeed a prerequisite for, the development of effective career planning systems; the use of linked grades therefore continued to be unnecessary *[A/48/30, para. 222]*.

ICSC next examined the issue of **linked grades**. It recalled its earlier position that linked grades were no substitute for career planning and were incompatible with the fundamental principles of job classification. Career paths should reflect a genuine increase in responsibilities, and work in organizational units should be structured to provide such paths. Here again, the key lay in proper job design. ICSC reaffirmed that the practice of **underfilling** was not incompatible with job classification; however, earlier ICSC criteria should be respected *[A/48/30, paras. 219-226]*.

SECTION 8.1.40
DIVERGENT GRADING PATTERNS

1980 **11th session (February/March):** On the basis of a report by WHO *(ICSC/R.190/Add.1)*, ICSC considered that Organization's practice of classifying certain positions as P-6. The report explained the purposes and the extent of the use of the practice of designating certain very high-level technical posts, above the P-5 level but not carrying directoral responsibilities, as P-6, with a salary level the same as that of the D-1 grade. ICSC noted that there was no difference whatever in the conditions of service of staff graded P-6 and those graded D-1; nor was there a difference in the level of duties and responsibilities assigned to these posts, although such duties and responsibilities could differ in kind. The difference between P-6 and D-1 was therefore primarily one of nomenclature. If WHO considered it useful for its own internal purposes to differentiate among all posts at the D-1 level those which carried directoral responsibilities from those which did not, it was not a matter having implications for the common system. ICSC therefore noted the practice of the P-6 grade as being peculiar to WHO and further noted the affirmation of the CCAQ representative that there was no intention to extend its use to other organizations in the common system *[A/35/30, para. 265]*.

SECTION 8.1.50
OTHER CLASSIFICATION ISSUES

1980 12th session (July/August): *(see section 8.2.10: procedures to be followed when classifying posts).*

1982 **16th session (July):** ICSC recommended that governing bodies ensure that organizations had the necessary flexibility, within certain confines such as the overall grade-mix, to implement classification decisions, both upward and downward, within the duration of a given budgetary period, in the interest of maintaining a proper structure of jobs at grade levels reflecting the reality of work. ICSC further recommended that organizations maintain adequate links between their job classification activities and their budgetary processes, recruitment programmes, training programmes, human resources planning programmes, career planning programmes and promotion machinery, in order to ensure that the job information generated by job classification was used to maximum advantage *[A/37/30, annex I, paras. 19 and 20]*.

1993 **38th session (July/August)**: ICSC examined a document *(ICSC/38/R.17)* dealing with the relationship between job classification and other areas of human resources management (compensation; human resources planning and career development; and staffing and performance evaluation), with a view to strengthening those linkages. It noted the progress achieved in the development of job classification standards and the ongoing need to maintain their accuracy and relevance to the work of the organizations, through regular review and updating. It decided to reaffirm that job classification was compatible with, and indeed a prerequisite for, the development of effective career planning systems, and that the use of linked grades therefore continued to be unnecessary *(see also section 8.1.60)*. Existing mechanisms, such as underfilling or personal promotions, provided the necessary flexibility in the administration of job classification. The key to effective linkages between job classification and other components of human resources was the translation of the current and future operational needs of the organizations into a structure that also took into account their human resource needs *[A/48/30, para. 222]*.

SECTION 8.1.60
LINKED GRADES

1982 **16th session (July):** ICSC concluded that the use of linked grades was incompatible with the concept of the Master Standard as it would render the present system of salary determination meaningless, jeopardize staff performance, reduce the incentives for recruitment, and reward stagnation and complacency by providing virtually guaranteed salary increases for lengthy periods. Linked grades were no substitute for career planning *[A/37/30, paras. 19-21]*. ICSC considered that linked grades should not be used to classify posts to which the Master Standard applied. It further recommended that solutions for the managerial problems that had led to the use of linked grades be sought through adjustments in the recruitment and promotion policies of organizations *[A/37/30, annex I, paras. 21 and 23]*.

1987 **26th session (July):** ICSC considered linked grades in the framework of the implementation of its recommendations and decisions. It reiterated to UNDP, UNESCO and WIPO the recommendations on linked grades made in its 8th annual report *(A/37/30)* and requested these organizations to report on these issues to the 27th session *[A/42/30, para. 344(e)]*.

1988 **27th session (July):** In the context of its consideration of the implementation of its recommendations and decisions, ICSC urged UPU and WIPO to reconsider their continued use of linked grades, which was unjustified *[A/43/30, para. 94(g)]*.

1989 **29th session (March):** ICSC urged organizations that applied linked grades to implement the ICSC recommendations in that area *[A/44/30, vol. I, para. 97 (f)]*.

1993 **38th session (July/August)**: ICSC reviewed document ICSC/38/R.17 which analysed the relationship between job classification and other areas of human resources management (compensation; human resources planning and career development; and staffing and performance evaluation), with a view to strengthening those linkages. JIU had requested ICSC to study the possibility of introducing linked grades (i.e. the systematic under-recruitment and automatic promotion of staff based on seniority) and personal promotions in a way that maintained the integrity of the job classification system. ICSC recalled its earlier position that linked grades were no substitute for career planning and were incompatible with the fundamental principles of job classification. ICSC reaffirmed that a rank-in-post approach, such as that in effect in the common system, required that opportunities for advancement be tied with the performance of greater responsibilities, in order to ensure fairness and equity. Career paths should reflect a genuine increase in responsibilities, and work in organizational units should be structured to provide such paths *[A/48/30, para. 218]*.

1995 **41st session (May):** In the context of a report on the implementation of ICSC decisions and recommendations *(see section 12.10)*, ICSC reiterated that the use of linked grades was unnecessary *[ICSC/41/R.19, para. 371 (h)]*.

CHAPTER 8
JOB CLASSIFICATION
(PROFESSIONAL AND HIGHER CATEGORIES)

SECTION 8.2.10
MASTER STANDARD (TIER I)

1975 In its first annual report ICSC emphasized the importance of the uniform application of job classification standards throughout the organizations, as an indispensable corollary to a uniform salary system and hence the importance of its assuming its responsibilities in this connection without undue delay *[A/10030, para. 87]*.

1977 **5th session (February/March):** ICSC reviewed the plans for the assumption of its functions under article 13 of its statute. It agreed on measures to accelerate this process *[A/32/30, para. 218]*.

1979 **10th session (August):** ICSC decided that the first tier of the common system grading standards would be a "Master Standard", which would apply to all P and higher category (P-1 to D-2 inclusive) jobs at HQ and established field offices. For those, the Master Standard would be established for use within each organization and for other jobs its use would be recommended. It was therefore a "horizontal" standard as it would apply to jobs in all fields of work. Since it would cover the widest possible variety of jobs the Master Standard would be, by necessity, the most general of the three tiers in its applicability to individual cases. It would consist of the points-factor evaluation system used by ICSC in the course of the grade equivalency studies carried out in application of the Noblemaire principle *[A/34/33, para. 193]*.

1980 **11th session (February/March)**: ICSC had before it a report on the development and testing of the Master Standard. The testing programme approved by ICSC at its 10th session had been carried out in Geneva, New York and Bangkok by a team which included job classification specialists from agencies of the common system, representatives of FICSA and members of ICSC's secretariat *[A/35/30, para. 234]*.

ICSC recalled that the plan for the further development and testing of the Master Standard had been approved at its 9th session (February/March 1979) and had been amended at the 10th session, taking into account the view of the organizations and of the staff. The organizations had, at the 10th session, supported the three-tiered system of standards as well as the details of the testing programme for Tier I of those standards. ICSC decided: (a) to approve the point-factor evaluation system, as revised during the recent test programme, and to promulgate it as the Master Standard (Tier I) of the common system grading standards for use by the organizations *(annex XII to A/35/30)*, in accordance with arrangements to be established (see (b) below). ICSC noted that in taking this decision it was:

(i) establishing the standard as that to be used by the organizations in the common system when classifying all P and higher category (P-1 to D-2 inclusive), non-project positions at headquarters and established field offices, in fields of work common to several organizations;

(ii) recommending that the standard be used by the organizations when classifying all other P and higher category (P-1 to D-2 inclusive), non-project positions at headquarters and established field offices, it being recognized that organizations were free to apply it to project positions as well if they so decided;

(b) to instruct the secretariat to prepare, after consultation with organizations and staff, and to submit to ICSC at its 12th session a plan for the progressive implementation from 1 January 1981 of the Master Standard (it being understood that those organizations which wished to implement it earlier

were at liberty to do so), as well as proposals for the monitoring, of ICSC's decisions and recommendations in this area under article 17 of the statute; (c) to recommend that the ICSC job description form *(annex XIII to A/35/30)* be used by organizations when classifying jobs according to the Master Standard; (d) to recommend that the glossary of terms *(annex XIV to A/35/30)* be used as a reference tool by classifiers when applying the Master Standard and that revisions to the glossary be undertaken by the secretariat as and when the need arose; (e) to recommend to organizations that, when classifying jobs, job audits or interviews with incumbents be conducted whenever possible in order to supplement the information provided on the job description form; (f) to approve the organization by the secretariat of training seminars in the application of the Master Standard which would be open to job classification officers of the organizations as well as staff representatives; (g) to approve the revised time-table for the development of the Tier II standards *[A/35/30, para. 242]*.

Implementation of the Master Standard

12th session (July/August): ICSC had before it a document which provided information on the consultations carried out by the secretariat, proposed a plan for the progressive implementation of the Master Standard from 1 January 1981, outlined proposals for the monitoring of ICSC's decisions and recommendations in this area, reported on the first training seminar conducted on the use of the Master Standard and provided a report on the testing of the Master Standard on project positions as requested by WHO *[A/35/30, para. 244]*.

ICSC took note of the views of individual organizations as to the most appropriate approach to implementation of the Master Standard. The comments and approach of organizations were positive and constructive and in general both the representatives of the organizations and of the staff had welcomed the introduction of the Master Standard. Taking account of their constitutional arrangements, resources and staff consultation procedures, organizations could begin implementing the Master Standard from 1 January 1981 on a progressive basis. ICSC also noted with satisfaction the training seminar which had been organized by the secretariat on the use of the Master Standard and instructed the secretariat to conduct further such seminars as the need arises in the future in order to assist in the implementation of the Master Standard *[A/35/30, para. 247]*.

ICSC considered that it was clear that the effect of its decision to adopt and promulgate the Master Standard for use from 1 January 1981 was that organizations should begin no later than 1 January 1981 to apply the Standard when any decision was taken on classification of jobs in the P and higher category within common fields of work at headquarters and established field offices. Statistics collected by its secretariat indicated that the Master Standard would apply to 65 fields of work representing the overwhelming number of fields of work found in the common system. ICSC observed that the process of converting to the use of the Master Standard would be more difficult for organizations with well established classification systems but for those organizations with no formal job classification system implementation should present fewer difficulties. ICSC then decided that three alternative approaches to implementation were permitted: (a) to conduct in 1981 an over-all organization-wide grading survey of all P and higher category positions; (b) to apply, beginning 1 January 1981, the Master Standard on a segmented basis; that is, to choose one sector, department, occupational group or duty station at a time in which all jobs would be fully surveyed and classified; (c) to apply the Master Standard, beginning 1 January 1981, when any classification decision was required; that was, when classifying any newly created posts, vacant posts or posts falling vacant and any existing posts which had been designated for a review resulting from changes in duties and responsibilities. ICSC further decided that each organization should formulate a clear plan along one of these lines and report back to ICSC at its 13th session which of the above approaches it had implemented *[A/35/30, paras. 248 and 249]*.

Specific procedures to be followed when classifying positions

ICSC recommended to organizations the adoption of the following procedures to assist in the implementation of the Master Standard: (a) the development of job descriptions on a format that would ensure that all of the information necessary to apply all of the factors was obtained. This would preferably be the standard format developed by ICSC; (b) the development of clear criteria to be used in deciding when a review of the grade of a position is justified in order to ensure that the classification system is administered in an economic, efficient and equitable manner. With regard to newly established posts, a review by the classification unit of the initial grade to be established prior to initiation of recruitment action would be necessary in order to avoid disparities in grade between newly established and existing posts that were of the same level of duties and responsibilities. In cases where the duties and responsibilities of an existing post had undergone significant change since the establishment of the current grade of the post, the chief of the unit in which the post was located should provide adequate supporting information on the nature of the changes that had occurred in the duties as well as the reasons for these changes. Finally a minimum time limit of at least six months should be established before which a subsequent request for review would be entertained; (c) the establishment of a policy of conducting job audits whenever possible within resource limits in order to obtain sufficient information to undertake a proper evaluation of the elements of the post under review; (d) the arrangement when possible within resources for a second independent evaluation of any post under review to be undertaken by another classification officer followed by a discussion to arrive at a final evaluation. By resolving individual discrepancies in ratings and thus establishing an agreed overall evaluation for the post under review assurances would be made that all information has been considered; that individual errors of judgement had been detected and that greater consistency in the application of the Master Standard by individual classifiers is achieved; (e) the development of a formal appeals or review procedure for resolving cases in which the grade established for the post has been disputed by the incumbent. While the exact nature and procedures for handling appeals in organizations will differ according to their particular traditions and existing machinery for resolving such appeals, the following principles were considered desirable: the conclusions of any grading appeals committee would be in the form of an advisory recommendation to the executive head, the final decision still remaining the authority of the executive head; the development of any appeals procedure should ensure full equity but should not become too detailed, formalistic, cumbersome or encouraging of unjustified appeals or excessive litigation; appeals should be handled expeditiously to prevent poor staff relations and administrative difficulties; if appeals bodies were established, staff should be consulted on the selection of members to the body and any members chosen should not only have experience in classification questions but also orientation and training in the use of the Master Standard; (f) the participation of staff representatives in such matters as the development of appeals procedures, the involvement of individual staff members through the audit interviews of their posts and the holding of consultations with staff regarding the implementation of the Master Standard; it being recognized that the taking of classification decisions on individual posts was and should remain a management prerogative *[A/35/30, para. 250]*.

In order to ensure an effective and consistent application of the Master Standard, ICSC considered it essential that at the very minimum executive heads should have the authority to grade posts even if limited by an overall budgetary maximum of posts at particular grade levels. Indeed, it was considered desirable for all legislative bodies to endeavour to monitor the overall grading pattern of the organization through such mechanisms as an annual report or through the monitoring of the organization's grading profile rather than to become involved in individual grading decisions. ICSC therefore recommended to the legislative bodies of the organizations that executive heads should be delegated the authority to grade posts subject to any control mechanisms deemed appropriate by those bodies and that each legislative body should endeavour to monitor the overall grading pattern of the

organization, through the monitoring of the organization's grading profile or other appropriate means rather than to pronounce on the specific grade of individual posts *[A/35/30, paras. 252 and 253]*.

ICSC noted that, under article 17 of the statute, it was required to keep under review and report to the GA the action taken by organizations to implement its decisions and recommendations. With respect to monitoring and reporting on the action taken to implement ICSC's decisions and recommendations concerning the adoption of common job classification standards, it was considered sufficient in the first instance to request reports from each organization on the specific action it had taken to implement the Master Standard and subsequently the individual Tier II standards which would be issued progressively.

ICSC decided, therefore, that each organization would prepare a report for the 15th session (February/March 1982) on the action it had taken during the first year of implementation. In addition to their function of providing a means for monitoring the effect of ICSC's decision, the reports would serve as a suitable vehicle for verifying the adequacy of the Master Standard on the basis of experience in organizations. ICSC decided that any other forms of monitoring its decisions or of ensuring that they were implemented would be determined in the light of the performance of organizations in implementing the standards *[A/35/30, paras. 254 and 255]*.

1981 **14th session (July)**: ICSC reviewed the further progress of organizations in the implementation of the Master Standard. It decided to recommend to the GA and to those other legislative bodies of the organizations where such authority still lay that responsibility for making job classification decisions up to the D-2 level should be delegated to executive heads and to call to the attention of legislative bodies the fact that the staff resources available in organizations continued to be insufficient to operate proper job classification systems *[A/36/30, para. 176]*. ICSC approved a format by which organizations would report statistics to the 15th session on their application of the ICSC Master Standard during 1981. It also authorized its secretariat to issue a manual on job classification and to conduct additional training workshops at headquarters duty stations on the subject of ICSC job classification standards and approved a collaborative arrangement with the African Development Bank for the conduct of a pilot training workshop in Abidjan *[A/36/30, para. 177]*.

1982 **15th session (March):** ICSC considered statistics submitted by organizations which covered 80 per cent of the total number of P posts established under the regular budgets of the common system. These indicated that, over all, the Master Standard had been applied to about 15 per cent of the total posts. Statistics also indicated that rates of confirmation of existing grades of posts through application of the Master Standard came close to the results achieved in testing the Master Standard: 85 per cent of previously established grade levels were confirmed (compared with 82.8 per cent in testing), 10 per cent were upgraded (compared with 7 per cent in testing), 5 per cent were downgraded (compared with 10.2 per cent in testing). ICSC was informed that a likely rationale for the lower percentage of downgradings in implementation was that encumbered posts were not being downgraded until actually vacated *[A/37/30, para. 245]*. It decided to request the organizations to continue to provide annual statistical reports in the agreed format, especially by CCOG category, with narrative discussion of problems of implementation. Furthermore, it instructed its secretariat to carry out a comprehensive study, based on the statistics provided for the first three years of implementation, examining the possible effects of such factors as location of duty station, size of organizations, types of occupation and grade level on the rates of implementation of the Master Standard for eventual review by ICSC at its 20th session *[A/37/30, para. 249]*.

1985 **21st session (March)**: ICSC reviewed a report on the implementation of the Master Standard during the period 1981-83, which provided an overall analysis as well as the results and status for each organization separately. It 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 a large number of posts in the field had not submitted final statistics, ICSC 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 ICSC 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 *[A/40/30, paras. 201 and 202]*.

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, ICSC: (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 ICSC, 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. 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 23rd session, further statistics reflecting the progress of implementation, including an analysis of any difficulties faced and an indication of the organization's plan 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 ICSC at its 23rd session, if possible, of its plans to inventory types of work for that purpose *[A/40/30, para. 208]*.

1987 **25th session (March)**: ICSC reviewed reports on the implementation of the Master Standard by organizations prepared by its secretariat on the basis of detailed statistics submitted by FAO, UNDP, UNICEF, WHO and UNHCR *[A/42/30, para. 243]*. ICSC decided: (a) to note the rate of implementation of the Master Standard and confirmation of levels in UNDP, UNICEF and UNHCR and that no further detailed statistics were needed from those organizations; (b) to note the high confirmation rate of classified levels of posts in FAO and that the implementation rate had overtaken the accumulated turnover rate and that no further detailed statistics were required from that organization; (c) to note the rate of implementation of the Master Standard of 30 per cent and the high overall confirmation rate in WHO of P level posts, including project posts, and to request WHO to submit detailed statistics on further implementation in 1987 at the 27th session; (d) to request the organizations to report in detail every three years on the implementation of the Master Standard when they submitted information on the implementation/ consideration of ICSC's recommendations and decisions *[A/42/30, para. 246]*.

1988 **27th session (March)**: ICSC considered further data on the implementation of the Master Standard by WHO in 1987 *(ICSC/27/R.14)*. It was noted that WHO was the last organization required to report on implementation in detail since it had an implementation rate of less than 50 per cent. ICSC also noted that all organizations would be required to report in detail again in 1989. In the context of the overall report on ICSC recommendations and decisions ICSC decided: (a) to note the implementation rate of the Master Standard in WHO of approximately 48 per cent and the overall confirmation rate in WHO

of P posts, including project posts; (b) to request WHO to provide further statistics on the implementation of the Master Standard for 1988 *[ICSC/27/R.24, paras. 150-153]*.

28th session (July): ICSC had before it a revised glossary of terms for the application of the Master Standard. It agreed to delegate to its Chairman the authority to recommend the glossary for application by the organizations *[ICSC/28/R.15, paras. 75 and 77]*.

1993 **37th session (March): ICSC took note of the high rate of implementation of the Master** Standard reported in ICSC/37/R.13. The overall implementation rate was 88 per cent of P and higher category posts. Actual application rates varied by grade bands and by organizations. At the P-1 to P-5 grades the overall implementation rate reached 91 per cent; it dropped to 61 per cent at the D-1 and D-2 grades and to only 23 per cent of posts at higher categories. In most organizations D-2 posts were not subject to classification reviews, and only a few had been classified *[A/48/30, para. 249]*.

The implementation statistics by organizations showed that the situation had remained unchanged since the last review in UNDP and UNICEF, where the Master Standard had been fully implemented, and in UNRWA, WIPO, UNIDO, and WMO, where the implementation rate was still over 95 per cent for all regular posts. UNESCO, which had recently completed a classification review of all its posts, reported full implementation. IAEA also reported a 95 per cent implementation rate. Significant progress since the last review had been noted at WHO (from less than 50 to 82 per cent) and at the United Nations (from 80 to 93 per cent). In UNHCR, the situation appeared to have deteriorated (from full implementation in 1987 to 36 per cent in 1992). At ILO there had been a slight increase in the classification of D-1 posts but application remained approximately the same at other grade levels. UPU did not apply the Master Standard. At newer established field offices, the reported situation parallelled that at HQ locations, with an estimated implementation rate of 91 per cent. At the P-1 to P-5 grades it was 93 per cent, while at grades D-1 and above it was 68 per cent. No change was reported in the situation of UNDP, UNICEF, UNRWA and WMO. At ILO, there was a slight increase in the classification of D-1 posts. FAO showed a considerable increase at the P-1 to P-5 grades (from 50 to 82 per cent), as did WHO (from 30 to 87 per cent). Most organizations using the National Professional Officer category (UN, UNDP, UNICEF, UNHCR, UNESCO) applied the Master Standard when establishing or reviewing the classification of all these posts. In WFP, NPO posts were classified by UNDP. Full implementation (100 per cent) had been reported by UNDP, UNICEF, UNHCR and UNESCO. The UN applied the standard to 55 per cent of its 22 NPO posts. The overall implementation rate for this category was 99 per cent.

Most organizations did not apply the Master Standard and its supplement to determine the grades of jobs at project locations. The exceptions were UNDP, UNICEF and UNESCO, which reported a 100 per cent implementation rate, and WHO, which reported 97 per cent. The overall implementation rate for this group of posts was 49 per cent.

SECTION 8.2.20
TIER II STANDARDS

1979 **9th session (February/March)**: ICSC considered on the basis of document ICSC/R.159 a plan for the preparation of common system job classification standards. It decided that the second tier of the common system standards would be composed of grade-level standards for specific fields of work. These were to be developed for the P and higher categories (P-1 to D-2 inclusive) jobs at HQ and established offices only within those fields of work in which two or more organizations have jobs. Accordingly these standards were to be established (as opposed to recommended) by ICSC. As separate standards would be established for each field of work, these standards would be "vertical" standards, and as such they would be more specific than the Master Standard in their applicability to individual cases. Each standard would provide specific examples of the types of duties typically carried out at a given grade level in a given field of work; it would also give a brief description of requirements in terms of each of the six factors reflected in the Master Standard and provide the resulting points rating for each of these factors as well as a total points score. In this way the second tier of the common system job classification standards would be related specifically to the first tier - the Master Standard - thereby avoiding the risk that the different tiers would produce contradictory results for any given job *[A/34/30, para. 194]*.

1981 **13th session (February/March)**: ICSC noted the difficult situation in which it had been placed by the decision of the GA in **resolution 35/225** to endorse the proposals of the UN Secretariat on the reclassification of language posts within the Organisation. It observed that the resolution had not taken account of the authority, delegated to ICSC by the GA under article 13 of its's statute, to establish job classification standards nor of the far-reaching implications for the grading of language posts, and other posts, within all the organizations of the common system. Though it recognized the right of the UN to make changes in work methods and job duties, ICSC affirmed that under article 13 of its statute ICSC was singularly authorized to establish job classification standards in fields of work common to more than one organization, including those for translators and revisers *[A/36/30, paras. 185 and 186]*.

14th session (July): ICSC decided to establish and promulgate for use within the organizations of the common system the Tier II grade level standard for **personnel management specialists** *(ICSC/R.302, annex IV)*. In taking this decision ICSC wished to assure CCAQ and IAEA that the concept of categorization according to size had been revised to that of a typology of organizations based not only on the size of the organization but also encompassing a broader range of quantifiable organizational characteristics relevant to the management of the personnel function *[A/36/30, paras. 181-183]*.

In connection with the difficulties arising from the adoption of **resolution 35/225**, ICSC decided to approve the inclusion at the P-4 level of a note describing the grading implications of self-revision based on the JIU definition of the concept and to establish and promulgate the Tier II grade level standard for **translators and revisers** *(ICSC/R.302, annex V)*. It requested the UN to report to ICSC, through CCAQ, any instances of individual post upgradings implemented for this field of work on the basis of GA resolution 35/225 that could not be justified by the application of either the Tier II standards or the ICSC Master Standard. ICSC requested CCAQ to continue to monitor and report on changes in work methods, arrangements, and typical duties for translators and revisers in all organizations of the UN common system, particularly with regard to both the introduction of self-revision and the organization of responsibilities of a supervisory type. It also instructed the ICSC secretariat to report, on the basis of this information, on the need to revise at some future date the typical duties and point ratings of particular factors for each grade level, so as to appropriately reflect typical grade levels within the field of work and to ensure the continuing consistency of point ratings among all Tier II standards after their promulgation *[A/36/30, paras. 191 and 192]*. ICSC also promulgated the Tier II Standard for **economists** *(ICSC/R.302, annex VI) [A/36/30, para. 193]*.

1982 **15th session (March)**: ICSC decided to establish and promulgate for use within the organizations of the common system the Tier II standard for **electronic data processing specialists** *(ICSC/15/R.15, annex II)*. It instructed its secretariat to prepare an introduction which would take up general issues relevant to the consideration of this standard, as contained in annex I to document ICSC/15/R.15 *[ICSC/15/R.26, para. 157]*.

16th session (July): ICSC established and promulgated for use by organizations Tier II standard for the field of work of **technical cooperation administrators** *[ICSC/16/R.24, para. 67 and annex III]*.

ICSC decided to publish these standards as annex IV to the report of the 16th session *(ICSC/16/R.24)*.

1983 **17th session (March)**: ICSC decided to establish and promulgate the Tier II standard for **civil engineers** *[ICSC/17/R.28, para. 164 and annex V]*.

18th session (July/August): ICSC decided to establish and promulgate the Tier II standard for **purchasing and contracting specialists** *(annex to ICSC/18/R.20) [A/38/30, para. 131]*.

1984 **19th session (March)**: ICSC reiterated its position that, whenever possible, grade-level standards at the P-1 and D-2 levels should be included in the Tier II occupational standards; it noted, however, that there were few jobs at those levels in the field of work of auditing *[ICSC/19/R.22, para. 134]*. ICSC promulgated the Tier II standards for **auditors** as set forth in the annex to ICSC/19/R.13 *[ICSC/19/R.22, para. 135]*.

22nd session (July): ICSC considered a draft Tier II standard for **financial management specialists** *(annex to ICSC/22/R.17)*. The draft was a reformulation of a standard for that field of work considered by ICSC at its 20th session and subsequently revised through a joint effort of ICSC's secretariat and CCAQ *[A/40/30, para. 221]*. ICSC decided to promulgate the Tier II standard for financial management specialists presented in annex II to document ICSC/22/R.17 and corrigendum 1. ICSC noted the criteria for acceptance of Tier II standards delineated in paras. 10 and 11 of that document, and stated that the same criteria would apply to the Tier III standards to be developed for P positions *[ICSC/22/R.23, para. 151]*.

1985 **21st session (March):** ICSC reviewed draft job classification standards for **public information specialists**. It 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. ICSC 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. ICSC promulgated the Tier II standard for **public information specialists** *(annex to ICSC/21/R.15) [A/40/30, paras. 215, 219 and 220]*.

1988 **28th session (July)**: ICSC considered a new draft Tier II classification standard for **jurists** and a revised standard for **computer information system specialists**. It agreed to delegate to its Chairman the authority to promulgate the standards *[ICSC/28/R.15, paras. 75 and 77]*. The two standards were promulgated by the Chairman by letter of 8 August 1988.

1990 **31st session (March)**: ICSC noted that, under delegated authority from ICSC, the Chairman had promulgated Tier II standards for **editors** and **statisticians** *[ICSC/31/R.15, para. 11]*.

32nd session (August): ICSC noted that revised Tier II standards for **procurement and contracting specialists** had been completed and were being promulgated by the Chairman under delegated authority (see ICSC Chairman's letter dated 30 August 1991).

1994 **39th session (March)**: ICSC noted that the Tier II standards for **Library and information specialists** had been completed and promulgated, effective October 1993, by the Chairman under delegated authority (see Chairman's letter dated 20 October 1993) *[ICSC/39/R.10, para. 26]*.

SECTION 8.2.30
TIER III STANDARDS

1979 **10th session (August)**: ICSC decided that the third tier of the standards would consist of benchmark jobs. These were to be developed for jobs in the P and higher categories (P-1 to D-2 inclusive) at HQ and established offices. Unlike the Master Standard, which would be applied to all jobs in all organizations, and the grade-level standards, which would be applied within all the organizations to all those jobs falling in fields of work designated as common fields of work (i.e., those shared by two or more organizations), the benchmark jobs would be developed separately within each organization and would be applied only to the jobs in that organization in those fields of work in which grade-level standards had been established. Therefore the benchmarks would also be established (as opposed to being recommended) by ICSC. These standards were the most specific - but were to apply to a smaller number of jobs. While both the Master Standard and grade-level standards were to be established and applied in all organizations, the third tier would not be mandatory, especially for smaller organizations having less resources to devote to ongoing classification activities, to identify benchmark jobs and have these established by ICSC. If those organizations were able adequately and consistently to classify all their jobs on the basis of Tier I and Tier II standards, then Tier III standards would not be necessary. However, if an organization were to decide to apply Tier III standards as a feature of its overall classification programme, then these benchmark jobs would have to be established by ICSC in order to ensure a consistent approach throughout the common system. Tier I and Tier II standards would in any case be established and applied in all organizations *[A/34/33, para. 195]*.

As of December 1994, Tier III standards had not yet been developed by the organizations.

SECTION 8.2.40
PROJECT POSTS

1985 **21st session (March)**: ICSC had before it the final report *(ICSC/21/R.13)* 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 *[A/40/30, para. 209]*. In considering promulgation of the proposed supplement and job description format, ICSC 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, ICSC considered that a common implementation policy remained both desirable and possible. It therefore decided to: (a) note with appreciation the report of the testing team; (b) promulgate a supplement to the Master Standard *(annex VI to ICSC/21/R.24)* 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 *(ICSC/21/R.24), annex VI* so as to ensure the provision of full information on all the factors relevant to the classification of project positions *[A/40/30, paras. 213 and 214]*.

1993 **37th session (March)**: In the context of a report on implementation of ICSC decisions and recommendations (ICSC/37/R.13) the secretariat noted the reported rate of implementation of the Master Standard [A/48/30]. Most organizations did not apply the Master Standard and its supplement to determine the grades of jobs at project locations. The exceptions were UNDP, UNICEF, and UNESCO, which reported a 100 per cent implementation rate, and WHO, which reported 97 per cent. The overall implementation rate for this group of posts was 49 per cent.

SECTION 8.2.50
CLASSIFICATION STANDARD FOR THE PROFESSIONAL AND HIGHER CATEGORIES

2002 **55th session (July/August):**

In its review of pay and benefits, the Commission organized its work by taking as its point of departure the priority of reforming the current system of job evaluation. Addressing this priority had been indicated by organizations as a necessary first step which would correct the deficiencies in the current system and, second, support a more holistic approach to human resources management. [A/57/30 para 24].

With respect to the proposed reform of the job evaluation system, the Commission decided to:

(a) Further develop the conceptual model as presented;

(b) Assess the validity of the model at its fifty-sixth session after testing and validation;

(c) Strongly encourage organizations to proceed with the development of monitoring, training and accountability measures in tandem with the current

reform of the job evaluation system and to report to the Commission on these measures in conjunction with the implementation of any new system;

(d) Consider, as part of its programme of work for 2003, the possible promulgation under article 13 of its Statute of a new system of job evaluation, pending the positive findings of the testing and validation of the new model. [A/57/30 para. 39].

2003 **56th session (March/April):** The Commission was presented with an update of the development and validation of a new system of job evaluation for staff in the Professional and higher categories. The Commission had endorsed the conceptual design of a new system of job evaluation at its fifty-fifth session. The design consisted of three components:

(a) A new Master Standard. An updated point rating standard that would serve as a foundation for a new system of job evaluation. The new Master Standard reduced the number of factors from 6 to 4 and the number of evaluation elements from 15 to 17. In addition to the introduction of such simplification, the new Master Standard had been designed to capture modern organizational and job demands;

(b) Grade-level descriptors. Developed to serve as the primary classification tool, the grade-level descriptors highlighted the salient aspect for each grade found in the new Master Standard factors. Designed as a minimalist framework, the descriptors were intended to be more broadly accessible to staff and management. They also provided linkages to competency development and performance management through the inclusion of additional perspectives that highlighted individual development goals and measures of success;

(c) A new job description format. Redesigned to focus the description of job elements on context and contribution linked to the factors of analysis, the new format was shorter and reflected developments in organizations that had chosen to introduce generic profiles. [ICSC/56/R.11, para. 34].

57th session (July): Following the endorsement of the conceptual model of the new system at the Commission's fifty-sixth session, a validation process was launched and was carried out in three

stages. First, the new system was applied to 13 of 14 Tier II standards by a team of independent classifiers. Secondly, the team of classifiers applied the system to a sample of 205 posts drawn from descriptions provided by 11 organizations of the common system. Finally, validation exercises were conducted between February and May 2003, which provided feedback particularly on the use of language in application of the Master Standard and the grade level descriptors [A/58/30, para.19].

The Commission decided that with regard to the reform of job evaluation within the context of the review of the pay and benefits system:

(a) Authority for the promulgation of the new system of job evaluation comprising: (i) The Master Standard, (ii) Grade level descriptors, and (iii) A new job description format should be delegated to its Chairman to allow for internal consultations within the organizations with a view to promulgation as at 1 January 2004;

(b) Its secretariat should report on an annual basis on the implementation of the new standards in organizations. This information should include: the number of jobs that, on application of the new standard, are found to be undergraded or overgraded and the levels affected; the impact of change on the organizations; and difficulties encountered; (c) Its secretariat should carry out a comprehensive assessment of the job evaluation system after 18 to 24 months and present to the Commission for its review and approval any substantive design changes that may be required; (d) Its secretariat, in consultation with organizations and staff representatives, should pursue further research on the proposal to reform the job evaluation system for the General Service and related categories and provide the Commission with a report [A/58/30, para. 35].

2004 **59th session (July):** The Commission was presented with an interim report on preliminary experience and feedback received from the organizations.

The ICSC took note of the work carried out to date by the secretariat in implementing the new approach to job evaluation. It expressed its satisfaction that there was positive feedback from organizations indicating that the standard was easy to use. [ICSC/59/R.18 para. 111]

2005 **61st session (July):** The Commission was provided with an update on the implementation of the new job evaluation Master Standards in the organizations. The ICSC was informed that on the basis of further discussions with the organizations of the common system, the secretariat had proposed that future action should reflect a coordinated effort by the secretariat, the organizations and staff to improve the job evaluation system. Actions discussed and agreed on by a number of organizations were:

(a) A glossary to address difficulties in interpretation as currently experienced by classifiers;

(b) Updated training materials and an interactive training page on the ICSC website;

(c) Alternative security provisions for the web-based job evaluation system;

(d) System-wide access to organizational post illustrations (and tier II standards of the old classification system, updated according to the new job description format) through the ICSC website;

(e) A virtual network of human resources advisers to share their experiences in the use of the job evaluation system, to discuss the relevance of change for the new system and to define updates that should be made. [A/60/30 paras 228-230]

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The Commission decided to:

(a) Take note of the report of the status of implementation by the organizations of the new job evaluation standard for the Professional and higher categories;

(b) Encourage the organizations to increase the rate of implementation while noting the difficulties encountered by them;

(c) Endorse the approach proposed by its secretariat in paragraph 230 above [A/60/30] for the enhancement of the new system; (d) Request its secretariat to ensure that a random sample of United Nations jobs is classified by reference to the new job evaluation standard in preparation for the grade equivalency study with the United States federal civil service;

(e) Request its secretariat to report on further progress in the implementation at the Commission's summer session in 2006, including the number and grade levels of posts classified and any changes to these grade levels as a result of classification action taken {A/60/30, para. 246].

2006 **63rd session (July):** ICSC considered a progress report on the implementation of the new job evaluation system.

The Commission took note of the report submitted by its secretariat and the rate of implementation of the job evaluation standards by organizations. Recognizing the importance of the new system for the overall reform of the pay and benefits system, the Commission decided to:

(a) Encourage the organizations to increase the rate of application of the new job evaluation tools and to respond to the secretariat in a timely manner in supplying the information requested;

(b) Request its secretariat to provide a follow-up report at its sixty-seventh session (July 2008) on the implementation of the new job evaluation method in the organizations, indicating the number and percentage of Professional posts to which the standard had been applied the number and percentage of upgradings and downgradings achieved by applying the standard and the number of appeals against the results obtained by application of the standard;

(c) Request its secretariat to report on the progress made with respect to the enhancement of the job evaluation system, including a status report on the development of a glossary of terms for use by classifiers across the common system [ICSC/63/R.17, para. 72].

2008 **67th session (July 2008):** The Commission had before it a progress report on the implementation of the new job evaluation standard for the Professional and higher categories. Recalling that the promulgation of the new job evaluation standard was the first major step it had taken in embarking on the reform of the pay and benefits system, ICSC noted that the rate of progress had been slow. It encouraged organizations that had not done so to explore linkages to other human resources subsystems that the standard had been designed to accommodate. It was pleased to hear that the glossary was nearing completion given that it was critical to uniformity in application of the standard.

The Commission took note of the status of implementation of the standard by organizations of the common system and requested its secretariat to complete its work on the glossary and report to the Commission [ICSC/67/R.15, paras.37 &38].

2010 **71st session (July-August 2010):** The Commission was provided with a progress report on the implementation of the job evaluation standard [ICSC/71/R.14]. It noted that approximately 80 per cent of posts from P-1 to D-2 levels and National Officer posts from NO-A to NO-D had been reclassified using the classification standard promulgated in 2004. A glossary of terms had been added to the standard and would soon be available in French and Spanish, in addition to English.

Whereas not all Professional posts had yet been reclassified using the new master standard, members noted with satisfaction that all common system organizations had now implemented the standard, and took note of the relatively high implementation rate. Whereas the full potential of the new standard had therefore not yet been achieved across the system, progress was nevertheless noted with appreciation.

The Commission decided to:

(a) Note the progress made by organizations in the application of the Professional master standard on all jobs;

(b) Welcome the adoption of the Professional master standard by the International Labour Organization (ILO), thereby achieving its global application in the common system;

(c) Encourage all organizations to bring their job classifications up to date, in respect of both the Professional and the General Service master standards [ICSC/71/R.18, para. 47].

2013 **77th session (July-August):** In document ICSC/77/R.8, the Commission was presented with an update of the implementation of the job classification standard forthe Professional and higher categories of staff. The ICSC secretariat reported that it had reviewed the classification grades of 1,548 job descriptions previously graded by the respective organizations. Of that number, it had confirmed 1,400, or approximately 90 per cent, as being accurately measured against the standard, 111 posts were considered to be over-graded and 37 had been under-graded. The ICSC secretariat was also concerned about the quality of the job descriptionsreceived - generic job profiles – what appeared to be the under-grading of National Professional Officers and the fact that the Common Classification of Occupational Groups codes had become outdated, causing some organizations to discontinue using them. The secretariat informed the Commission that the codes provided a framework for the compilation and exchange of inter-organizational data related to jobs within the common system. In addition, they formed the basis for selecting and compiling the list of jobs necessary for conducting grade equivalency exercises.

The Commission noted that in the United Nations system, classification was the platform of the compensation system. While observing that the master standard for the classification of Professional posts had been in use for almost a decade, the Commission was pleased that there was finally a credible indication that organizations had begun to apply the standard accurately. It however pointed to areas where further clarification would have been welcomed. The Commission also noted that a firm conclusion could not be drawn on the classification of National Professional Officers given the number of those job descriptions in the sample that was drawn. The Commission observed that some organizations still had more work to do with regard to fully implementing the standard and it was not clear if all organizations had the capacity to do so [ICSC/77/R.15].

The Commission decided to:

(a) Take note of the findings of the secretariat;

(b) Urge the organizations to update their job descriptions in line with the recommended format;

(c) Urge organizations to continue to apply the Common Classification of Occupational Groups codes;

(d) Request its secretariat to review the Common Classification of Occupational Groups codes by means of a technical working group that include the secretariat and representatives of the organizations and of the staff [ICSC/77/R.15, para. 73].

CHAPTER 8
JOB CLASSIFICATION
(GENERAL SERVICE AND RELATED CATEGORIES)

SECTION 8.3.10
GENERAL PRINCIPLES

1975 In its first annual report ICSC "...emphasized the importance of the uniform application of job classification standards throughout the organizations, as an indispensable corollary to a uniform salary system and hence the importance of its assuming its responsibilities in this connection without undue delay" *[A/10030, para. 87]*.

1977 **5th session (February/March):** ICSC reviewed the plans for the assumption of its functions under article 13 of its statute. With respect to the GS category, it observed that, since salary scales were not uniform worldwide, there was not the same necessity for uniform worldwide classification standards (as for the P and higher categories), although greater comparability of classification patterns and standards would undoubtedly be desirable in the long run and that in any case it was evident that within a single duty station, the same standards should be applied to staff of all the different organizations who were paid according to a common scale. While it was the primary responsibility of the organizations concerned to achieve this, the establishment of common standards by ICSC would no doubt be helpful *[A/34/30, para. 189]*.

1979 **10th session (August):** ICSC approved a plan for the preparation of common system job classification standards. It included the following: (a) to establish standards for GS and other locally-recruited positions in duty stations in which two or more organizations had jobs falling within the same field work (in the development of these standards priority would, of course, be given to the larger duty stations. The standards could apply to both HQ and field duty stations or to each separately); (b) to recommend standards for the GS category and other locally-recruited positions in duty stations in which only one organization had jobs or in which two or more organizations had jobs falling in different fields of work *[A/34/30, para. 191]*.

1981 **14th session (July/August)**: In connection with the development of classification standards for the GS category in New York, ICSC noted that the question of the number of levels might be further resolved by application of the methodology for the determination of P-level work, which would provide further guidance in determining the upper limit of the GS category. There was no reason simply to adopt an approach used in another duty station, since that might not suit local requirements, and ICSC had not yet had an opportunity to pronounce itself on any job classification standards which might exist at other duty stations or on the extent to and manner in which greater worldwide comparability of classification standards might be established for the GS category. An objective method for determination of the appropriate number of levels of work that existed within the GS category in New York should be therefore crucial to the development of a sound classification system. ICSC therefore requested the Coordination Committee to include in its interim report an analysis of the existing levels of work; the reasons, if any, based on that analysis, for which the existing number of grades might not be appropriate for the development of new job classification standards; and the criteria proposed by the Committee for determining the appropriate number of grade levels to be established *[A/36/30, para. 198]*.

1982 **16th session (July)**: In relation to the development of a classification standard for the GS category in New York, ICSC considered the technical acceptability of the grade structure and the standards proposed. The basic principles guiding ICSC's deliberations, along with relevant prior decisions, are given in the 8th annual report *[A/37/30, annex VI]*. With respect to determination of the appropriate

number of grade levels, ICSC reviewed its own previous pronouncements on that subject as well as those of ACC and of ICSAB and noted that these criteria implied that the grade structure should have the following characteristics: (a) each grade (level of work) should be recognized as marking different levels of responsibility, i.e. clearly distinguishable one from the other; (b) each grade should be defined broadly enough to encompass all jobs similarly regarded as to level of responsibility but not so broadly as to include several levels of responsibility; (c) the number of grades should provide an efficient and effective framework for salary comparison with the external market; (d) the number of grades should be sufficient for the management needs of the organization (e.g., to provide reasonable opportunity for career development and promotion within the GS category) *[A/37/30, paras. 268-269]*.

SECTION 8.3.20
CLASSIFICATION STANDARDS FOR NEW YORK

1980 **12th session (July/August)**: The secretariat reported to ICSC that the UN had drawn its attention to the fact that it had commenced work on the development of new classification standards and the conduct of a comprehensive classification review of its GS category posts in New York with a view to establishing a seven-grade classification structure instead of the existing five-grade structure. In addition, UNDP had also informed the secretariat of its interest in the development of new classification standards based on a seven-grade structure for its staff. It had, however, expressed the view that any classification standards for GS staff in New York should be developed on a coordinated basis and applied to all GS staff in that duty station. UNICEF, on the other hand, had reported that it had recently adopted GS grading standards and therefore had not planned to develop new standards although it would consider extending the structure of its GS category from five to seven grades if the UN and UNDP were to do so. The secretariat had therefore brought the matter to the attention of ICSC in the interest of ensuring that a common approach for both the classification of posts and the structuring of the GS category in New York be followed by the three organizations. ICSC reaffirmed the principle, which it had endorsed during its 5th session, that GS classification standards need not be developed on a uniform world-wide basis since salary scales are not uniform worldwide, but that within a single duty station, such as New York, the same standards should be applied to staff of all the different organizations who are paid according to a common scale. It further affirmed that it was responsible under its statute for establishing both the classification standards and the number of grades that would apply to the GS category in New York following any studies that might be undertaken on these subjects by the parties involved. ICSC therefore authorized its Chairman to request the SG of the UN to ensure that a common approach be undertaken by the UN, UNDP and UNICEF on the development of proposals regarding the establishment of classification standards and revisions to the grade structure for the GS category in New York. ICSC would take its decisions on the classification standards and grade structure to be applied to the GS category in New York once it had been presented with proposals resulting from a coordinated endeavour on the part of the three organizations concerned *[A/35/30, paras. 263 and 264]*.

1981 **13th session (February/March)**: The UN announced the formation of a Coordination Committee, which intended to submit a preliminary report to ICSC at its 14th session. ICSC welcomed those developments and authorized its secretariat to provide technical advice to the Coordination Committee on issues that it deemed critical to the work of the Committee.

14th session (July): The Chairman of the Coordination Committee submitted the preliminary report of the Committee to ICSC *[A/36/30, para. 195]*.

ICSC was of the view that the question of the number of levels might be further resolved by applying the methodology for the determination of P-level work, which would provide further guidance in determining the upper limit of the GS category. It requested the Co-ordination Committee to include in its interim report an analysis of the existing levels of work; the reasons, if any, based on that analysis, for which the existing number of grades might not be appropriate for the development of new job classification standards; and the criteria proposed by the Committee for determining the appropriate number of grade levels to be established. It also instructed its secretariat to report on the relationship between the grading standards and the methodology for the next New York salary survey, so as to ensure proper coordination of those two interrelated processes and that the overall job classification system was approved and implemented prior to the conduct of the next salary survey in New York *[A/36/30, para. 198]*.

1982 **16th session (July)**: ICSC reviewed the report by the Coordinating Committee. It decided that the seven-grade level structure proposed by the Coordination Committee should be established for

classification of GS posts in the three organizations based in New York (UN, UNDP and UNICEF). In respect of the job classification standards developed by the Committee, ICSC: (a) endorsed the Committee's selection of the non-quantitative method as the most appropriate to circumstances in which mixed-level jobs are prevalent and where the process of obtaining information on jobs is not fully developed; (b) decided that the highest rate of validity achieved in the testing was sufficient, especially in view of the particular difficulties inherent in the exercise and in consideration of the fact that the Committee had taken steps to ensure that application of the standards would be characterized by the highest validity that had been achieved; (c) noted that, in order to achieve the highest rate of reliability, all elements of the classification standards (grade level definitions, factor level definitions, glossary, conversion guidelines) had been applied in the context of example jobs and based on a consensus of at least two raters; (d) promulgated, under article 13 of its statute, for application to jobs in the GS category in New York, all elements of the classification standards developed by the Committee *(ICSC/16/R.24, annex V)*; (e) recommended that the standards only be applied together with procedures that ensured their reliability (e.g., rating by a consensus of at least two raters and, until benchmarks have been established, with reference to example jobs); (f) requested the three organizations based in New York further to ensure the quality of the standards by developing common benchmark jobs which, while initially intended for the envisaged New York Salary survey, could also serve as classification benchmark jobs *[A/37/30, paras. 272-274]*.

1983 **17th session (March)**: ICSC considered a report of the Coordination Committee, which proposed separate classification standards for the trades and crafts associated with buildings maintenance, for those occupations involving shipping, transportation and receiving, for the printing occupations, for security services, and for the conduct of guided tours. ICSC: (a) noted the job classification standards covering guides and security officers; (b) agreed that the job classification standards developed separately for the three common categories of work (one for printers and two for manual workers) had been developed in such a way that each was internally consistent and suitable for the identification of the relative order of jobs that each standard covered; and that, as such, they were appropriate for immediate application; (c) requested the Coordination Committee to continue its mandate and to undertake the combination of the standard for printers and two standards for manual workers into one job classification standard, with the help of technical advice from the ICSC secretariat; (d) authorized its secretariat, in the event that the Coordination Committee was to fail in its efforts, to request any additional information required and effect a merger of the three standards on the basis of technical considerations; (e) authorized its Chairman to promulgate the resulting combined standard for immediate application by the three organizations concerned *[A/38/30, paras. 132 and 133]*.

1985 **22nd session (July)**: The representative of the UN informed ICSC that classification of jobs in the GS and related categories in New York was nearing completion. A joint staff-management group, which had been established to review the classification determination made by the UN 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 ICSC *[A/40/30, para. 272]*.

In order to ensure a positive result for the job classification and salary survey exercise in New York, ICSC 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 ICSC, through its Chairman, information as to implementation progress and impact by 30 September 1985; if for any reason the UN 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 UN; (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 ICSC at its 23rd session common benchmarks as envisaged at the time the standard was

promulgated, along with an analysis of the results of the coordination among the three organizations during implementation to ensure consistency of application of job classification standards; (c) the UN 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 *[A/40/30, para. 282]*.

By **decision 40/466** the GA decided: (a) to defer a decision on job classification of the GS and related categories in New York; (b) to consider it at its 41st session, or if possible before the session, on the basis of the recommendations of ACABQ and any observations that may be made by ICSC; (c) to ensure that social justice should be done in the matter; (d) that the effective date of the implementation of the results of the classification exercise should be 1 January 1985.

1986 **23rd session (March)**: ICSC considered a document prepared by its secretariat and notes prepared by the UN and by the UN Staff Union. The note by the secretariat provided an historic overview of the development of the standards and a study of the implementation promulgated in 1982 and 1983, including suggestions for observations to be made by ICSC as requested by GA decision 40/466. ICSC was informed, in particular, that UNICEF had implemented the results of the job classification of the GS and related categories in November 1985, and that the Governing Council of UNDP had decided, at its session in February 1986, to implement the results of the exercise with effect from 1 January 1986, with the proviso that that date should be reconsidered when the UN decided on the implementation of its classification results *[A/41/30, para. 165]*.

As ICSC was concerned with the situation, which could adversely affect staff morale in the UN, it made the following observations: (a) it was suggested that the SG fix early, realistic deadlines for receipt and consideration of appeals by departments against the upgrading of any posts before implementation, as it would be inappropriate if staff were first upgraded and subsequently downgraded, a result that could be later contested by staff concerned in view of their acquired rights; (b) it was expected that the SG would subsequently implement the reclassifications recommended for the Security Service and Trades and Crafts categories and for those GS posts that had been classified identically by the UN Classification Section, CRG and the Joint Advisory Committee (JAC) and approved by him; (c) ICSC considered that some 900 remaining GS posts, including Conference Services-related posts, that had not been classified identically by the parties concerned should be reviewed further with the assistance of independent professional classification specialists. As detailed information was now available on the work of the CRG, it was expected that the further review could be carried out within a few months, for example, on the basis of a selected sample of the problem jobs, including Conference Services-related posts. ICSC hoped that this question could be settled as soon as possible, since it had already taken four years and affected a large number of staff; (d) with regard to the establishment of the link between Public Information Assistants and the GS category, on which a proposal had been received by ICSC during its 23rd session, ICSC delegated that matter to its Chairman for decision prior to its 24th session *[A/41/30, para. 172]*.

Subsequently, after reviewing the information submitted to ICSC on Public Information Assistants, the Chairman recommended to the SG that he continue to apply the separate salary scales of this group of staff and make another effort to find outside job matches at the time of the next salary survey in view of doubts about the applicability of the GS classification standard to these posts *[A/41/30, para. 173]*.

The GA at its 41st session reviewed the proposals of the SG concerning job classification of the GS and related categories in New York and Geneva. It noted that while ACABQ had no reservations with regard to the reclassification of the related categories, it was unable to recommend implementation of the job classification exercise for the GS category above the G-6 level. In spite of this, the Fifth

Committee voted to accept all the recommendations of the SG for the GS category, including those up to the G-7 level and those reclassified to the P category. The GA approved, on the basis of a vote, the proposals of the SG relating to the job classification of the GS and related categories in New York *(A/C.5/41/30)* and in Geneva *(A/C.5/41/34)*.

1987 **25th session (March)**: ICSC considered a note prepared by its secretariat providing the latest information received from the UN on the implementation of the job classification of the GS and related categories in New York *[A/42/30, para. 263]*. It decided: (a) to note that the results of the job classification of the GS and related categories in New York were being implemented with effect from 1 January 1985; (b) to reaffirm the need for benchmark job descriptions; (c) to repeat its request to the three organizations based in New York to develop common benchmark job descriptions for the GS and related categories in New York for review at its 27th session *[A/42/30, para. 267]*.

1988 **27th session (March)**: The UN representative informed ICSC that a working group of the three New York based organizations had been dealing with the matter. The UN, however, had not been able to continue work on the benchmarks due to an extremely heavy workload and other priorities. It had so informed the ICSC Chairman in January 1988. ICSC decided: (a) to note the statement of the UN representative; (b) to note that the New York based organizations would submit benchmark job descriptions for the GS and related categories in New York to ICSC for consideration at the 28th session *[ICSC/27/R.24, paras. 159-160]*.

28th session (July): ICSC considered a document prepared by UN, UNDP and UNICEF on the development of common benchmark job descriptions for the GS and related categories in New York *(ICSC/28/R.10)*. ICSC took note of the report. It decided: (a) to note with regret the continuing lack of progress in the exercise; (b) to emphasize the importance of completing the benchmarks prior to the New York salary survey, scheduled for autumn 1989; (c) to request the UN, UNDP and UNICEF to keep the ICSC secretariat regularly informed of progress; (d) to delegate to its Chairman authority to promulgate the benchmark job descriptions *[ICSC/28/R.15, paras. 59-64]*.

1989 **34th session (March)**: The Chairman recalled that at its 28th session, ICSC had delegated to him the authority to promulgate the benchmarks for jobs in the GS and related categories in New York. He expected the final benchmarks to be submitted to him shortly at which time he would promulgate them *[ICSC/29/R.11, para. 15]*.

By letter of 8 June 1989, the ICSC Chairman approved the benchmarks for jobs in the GS and related categories in New York and promulgated them with immediate effect.

2010 **70th session (February/March):** This standard is longer used since the promulgation of the new job evaluation system for the General Service and related categories in 2010. See A/65/30, para. 192 and Compendium section 8.3.80

SECTION 8.3.30
CLASSIFICATION STANDARDS FOR VIENNA

1984 **20th session (July)**: ICSC considered a document submitted by its secretariat, which contained a proposal to establish common classification standards for staff in the GS and related categories at Vienna, prior to the salary survey scheduled for early 1986. It decided: (a) to welcome the initiative taken by the organizations with established offices at Vienna to start consultations on the development of common classification standards for the GS category in that duty station well before the 1986 salary survey; (b) to note that the organizations at Vienna had already established a Joint Committee on Job Classification for the GS category, with full representation of all parties involved; (c) to request that the ICSC Chairman be informed of the Joint Committee's composition and terms of reference as soon as feasible, but no later than 15 September 1984; (d) to request that the Chairman receive a detailed outline and time table for the Joint Committee's work programme by 15 October 1984; (e) to request that the Joint Committee, in developing common classification standards for the General Service staff at Vienna, adhere to the relevant guidelines and criteria established by ICSC; (f) to request its secretariat to maintain liaison with all parties concerned and to provide technical advice to the extent feasible; (g) to request that the Joint Committee submit a progress report at its 21st session and present draft standards, together with a full report on their development, to the Commission for review at the twenty-second session *[A/39/30, para. 211]*.

1985 **21st session (March)**: ICSC reviewed a progress report from the Vienna-based organizations *(ICSC/21/R.17)*. It 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. ICSC decided to examine the progress made in the job classification exercise at its 24th session (1986) and, in the light of that consideration, determine the issue of the GS salary survey *[A/40/30, para. 225]*.

1986 **24th session (July)**: ICSC considered the final report of the Vienna-based organizations on the development of job classification standards for the GS and related categories at Vienna, which also included 22 benchmark job descriptions and classification standards submitted to ICSC for promulgation *[A/41/30, para. 185]*. In discussing the proposed standards, members devoted particular attention to the number of grade levels and the use of level G-8 by the organizations, which they feared would set a precedent for other duty stations. It was confirmed that only seven actual grade levels were used, beginning at level M-3, which was the equivalent of G-2.

ICSC decided: (a) to promulgate the common classification standards for the GS and related categories at Vienna; (b) to request the Vienna-based organizations to develop some additional benchmark job descriptions for posts at the G-8 level; (c) that no separate further classification exercise was required prior to the forthcoming salary survey, which had been scheduled for late 1987; (d) to request the Vienna-based organizations to report to at its 26th session on the implementation of the new standards; (e) to recommend to the Vienna-based organizations that they study the possibility of harmonizing in the future the grade levels into a G-1 to G-7 grade structure as in other HQ duty stations *[A/41/30, paras. 189 and 190]*.

1987 **25th session (March)**: ICSC considered the implementation of the job classification standards, including a proposal for 3 additional benchmark job descriptions at the G-8 level, as well as confirmation rates of salary survey benchmark job descriptions by using the common grading standards. It decided to promulgate the 3 additional benchmarks. It also took note of the progress made in the implementation of the standards to date and requested the Vienna-based organizations to provide a further progress report at its 28th session *[A/42/30, paras. 268 and 272]*.

1990 **32nd session (June):** In the context of its review of the implementation of ICSC recommendations and decisions *(ICSC/32/R.22) (see section 12.10)*, the secretariat informed ICSC that the standards had been fully implemented in IAEA and in the UNIDO. The United Nations Office at Vienna had applied the standards to determine interim classification levels pending the implementation of an initial classification survey which had commenced in May 1990.

2010 **70th session (February/March):** This standard is no longer used since the promulgation of the new job evaluation system for the General Service and related categories. See A/65/30, para. 192 and Compendium section 8.3.80.

SECTION 8.3.40
CLASSIFICATION STANDARDS FOR GENEVA

1991 **34th session (August)**: ICSC reviewed a report of the Joint Committee for the Development of a Common Job Classification Standard for the General Service Category at Geneva on the development of common grading standards for the General Service and related categories at Geneva.

It was the stated view of the United Nations that the development of the standards had been completed with the full participation of administration and staff representatives of the Geneva-based organizations. It was decided that, of the various job classification systems in force at the Geneva duty station, the classification system of ILO would form the basis for the Geneva standard. Upon completion of the proposed standard the Geneva-based organizations had agreed to continue the inter-agency dialogue and cooperation on classification issues through the establishment of an informal committee *[ICSC/34/R.17, paras. 57-61]*.

ICSC noted the proposed job classification standard for the GS category at Geneva and delegated to the Chairman the authority to promulgate the common job classification standard *[A/46/30, vol. I, para. 188]*. The Chairman promulgated the standard by letter dated 3 September 1991.

2010 **70th session (February/March):** This standard is no longer used since the promulgation of the new job evaluation system for the General Service and related categories. See A/65/30, para. 192 and Compendium section 8.3.80.

SECTION 8.3.50
CLASSIFICATION STANDARDS FOR ADDIS ABABA

1983 **17th session (March)**: ICSC considered a request from the UN, following consultations with other established offices in Addis Ababa, that it advise on efforts to establish common classification standards for the GS and related categories in that duty station *[A/37/30, para. 137]*. ICSC took note of the timetable developed for the work of the Joint Committee on Job Classification for the GS and related categories in Addis Ababa. In addition, ICSC: (a) welcomed the initiative taken by those organizations with established offices in Addis Ababa to develop jointly common classification standards for the GS and related categories; (b) noted the composition and mandate of the Joint Committee on Job Classification for the GS and related categories in Addis Ababa; (c) requested the Joint Committee to take into consideration the guidelines and criteria already developed by ICSC in the context of promulgating classification standards for the GS and related categories in New York; (d) designated the UN Secretariat to act as the lead agency in providing appropriate first-line technical support, in close consultation with the ICSC secretariat, and requested it to provide regular progress reports to the secretariats of both ICSC and CCAQ; (e) instructed the ICSC secretariat to maintain liaison with all parties involved, to provide technical advice to the extent feasible and to participate in the testing phases of the proposed work programme; (f) requested CCAQ to comment, at the 18th session, on the implications of any proposals deriving from the Joint Committee in the context of the CCAQ efforts to develop common classification standards for GS and related categories in field offices; (g) requested the Joint Committee to submit an interim report to ICSC at its 18th session and to submit a final report, together with the proposed standards, at the nineteenth session for review and possible promulgation *[A/37/30, para. 140]*.

1985 **21st session (March)**: In reviewing the proposed standards for the GS staff at Addis Ababa, ICSC 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. ICSC 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 etablished by ICSC 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 *[A/40/30, para. 226]*.

Taking into account that the standards would be the first promulgated by the ICSC that would reduce an established number of grade levels, ICSC 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 coordinated implementation by all common system organizations at Addis Ababa *(ICSC/21/R.16)*; (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 ICSC at its 23rd 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 coordinated implementation of the standards, as well as their uniform application, and to inform ICSC at its 23rd 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 GS and related categories using the CCOG prior to identification of a representative sample of jobs for salary survey purposes *[A/40/30, para. 230]*.

1987 **26th session (July):** ICSC reviewed progress reports received from several organizations on the implementation of the job classification standards of the GS and related categories at Addis Ababa *[A/42/30, para. 273]*. ICSC decided: (a) to note the progress reports; (b) to urge those organizations that had not yet done so to implement the common grading standards promulgated in 1985; (c) to request the organizations concerned to report to ICSC on the progress of implementation of the common grading standards at its 20th session; (d) to request the Coordinating Committee, through the UN, to provide the final guidelines for implementation of the conversion of the grade levels at Addis Ababa to ICSC for information; (e) to reiterate its request, through the UN, that the Coordinating Committee should develop further benchmark job descriptions for the GS and related categories at Addis Ababa *[A/42/30, para. 277]*.

1991 **34th session (August)**: ICSC noted that the UN had completed implementation of the job classification standards for the GS and related categories at Addis Ababa *[A/46/30, vol. I, para. 188]*.

2010 **70th session (February/March):** This standard is no longer in use. All posts in the General Service and related categories are evaluated under the new job evaluation system for the General Service and related categories, which was promulgated with effect from 15 March 2010. See A/65/30, para. 192 and Compendium section 8.3.80.

SECTION 8.3.60
GLOBAL CLASSIFICATION STANDARDS FOR NON-HEADQUARTERS DUTY STATIONS

1986 **23rd session (March)**: At its 23rd session, ICSC considered benchmark job descriptions proposed for the GS category in small and medium-sized field duty stations. These were presented for consideration and promulgation on the understanding that they would be regarded as an initial phase of promulgation of classification standards for the GS jobs in such duty stations *[A/41/30, para. 180]*.

ICSC decided: (a) to promulgate, with immediate effect, the benchmark standards developed for the GS in small and medium-sized field offices *(annex to ICSC/23/R.11)*; (b) to note that the organizations were working on the development of a support (master) standard that would be used to complement the benchmarks in those cases where they did not provide adequate coverage; (c) to invite the organizations to inform ICSC, on a regular basis, of progress made regarding the development of a uniform grade structure at all duty stations concerned and to submit to it guidelines on transitional measures for the implementation of a uniform grade structure at duty stations with a different grade structure; (d) to invite the organizations to report to it on the relationship of National Professional Officers (NPOs) and the Extended General Service Level (EGSL) to the benchmarks; (e) to request the organizations to submit to ICSC for promulgation such additional benchmarks as might be required; (f) to request the organizations to keep ICSC informed of matters related to the implementation and maintenance of the system *[A/41/30, para. 184]*.

1987 **26th session (July):** ICSC reviewed a support standard for the GS in small and medium-sized duty stations prepared by CCAQ *(ICSC/26/R.14 and Add.1)* and noted the importance of the completion of a common classification standard for GS posts in the majority of field duty stations. ICSC decided: (a) to promulgate, with immediate effect, the point-rating matrix standard; (b) to promulgate, with immediate effect, the G-6 administrative assistant benchmark; (c) to delete from the benchmark standards already promulgated the G-2 office equipment operator benchmark; (d) to note that the organizations had developed a series of interpretation tools to be applied in conjunction with the standard and to agree that the maintenance of the common classification standard should continue to be the responsibility of the organizations; (e) to agree that the review of the relationship of the EGSL to the common classification standard should be deferred until further experience has been acquired in the application of the standard; (f) to take **1987** note of the procedures developed by the organizations for coordinating the implementation of the standard, and to request the organizations to provide a progress report in this regard at the 29th session including progress in the development of a uniform grade structure, as well as on the relationship between the standard and EGSL work *[A/42/30, paras. 258, 261 and 262]*.

1 \ Formerly the classification standard for small and medium-sized duty stations.

1991 **33rd session (March)**: ICSC noted the progress achieved in the implementation of the common classification standard for small and medium-sized duty stations, which had provided an effective link between the salary survey methodology and job classification. There had also been considerable progress in converting local salary scales to a standard seven levels.

ICSC delegated to its Chairman the authority to promulgate a revised version of the standards which would apply to all non-HQ duty stations *[A/46/30, vol. 1, para. 190]*. The Chairman promulgated the "Global classification standard for non-HQ duty stations" along with 8 supplemented benchmarks for application at Nairobi by letter dated 9 September 1991.

1993 Five supplemented benchmarks to be applied at Bangkok were promulgated by the Chairman by letter dated 3 September 1993.

2010 **70th session (February/March):** This standard is no longer in use. All posts in the General Service and related categories are evaluated under the new job evaluation system, which was promulgated with effect from 15 March 2010. See A/65/30, para. 192 and Compendium section 8.3.80.

SECTION 8.3.70
CLASSIFICATION STANDARDS FOR BAGHDAD AND SANTIAGO

1985 **22nd session (July)**: ICSC agreed to a request from the UN Under-Secretary-General for Administration and Management to endorse two projects for the development of classification standards for the GS and related categories in the duty stations of Baghdad and Santiago under article 13 of its statute. It decided to place the two projects under its aegis, and designated the UN as lead agency. It further called the attention of the organizations to the guidelines and to the criteria it had developed for that purpose, and requested that a draft standard be presented to the 24th session *[A/40/30, para. 231]*.

1986 **23rd session (March):** ICSC: (a) noted the slow progress made in Baghdad; (b) noted that in Santiago the Joint Inter-Agency Committee was adhering to the relevant guidelines and criteria established by the Commission; (c) reiterated its request to the UN that it arrange for the timely submission of draft standards for Santiago and Baghdad, together with interim reports on their development; (d) noted that full reports on the job classification exercise in Santiago and Baghdad would be submitted to ICSC for consideration at its 25th session *[A/41/30, para. 179]*.

1987 **25th session (March)**: ICSC reviewed a draft job classification standard for staff in the GS category at Baghdad and requested that benchmark job descriptions should be developed to supplement the standard *[A/42/30, para. 252]*. ICSC decided: (a) to delegate to its Chairman the authority to promulgate the standard and to approve the benchmark job descriptions; (b) to request the organizations concerned to provide at the 27th session a progress report on the implementation of the standard *[A/42/30, para. 252 and 254]*.

The standard for the GS at Baghdad and the benchmarks were promulgated by the Chairman by letter to the organizations on 22 June 1987.

1990 **32nd session (July/August)**: ICSC took note of information provided by the organizations on progress in the development of job classification standards for, *inter alia*, Baghdad and Santiago. It requested the organizations to present a report on (a) the implementation of job classification standards for the GS and related categories at Baghdad to the 33rd session; and (b) the development of job classification standards for these categories at Santiago to the 34th session. ICSC noted a request by CCAQ that a member of ICSC join an interagency team to visit Santiago. It was, however, unable to comply with the CCAQ request *[ICSC/32/R.24, paras. 56-61]*.

1991 **33rd session (March)**: ICSC considered the progress on implementation of job classification standards for the GS and related categories at Baghdad. ICSC had also requested a report on the implementation of job classification standards for the GS and related categories at Santiago. In response to a query about the status of implementation at that duty station, the UN explained that scarce resources required a phased approach to the problem, necessitating the completion of existing work before initiating work at Santiago with the hope that ICSC would participate in an inter-agency mission to Santiago for the development of benchmarks after the promulgation of a global job classification standard for non-HQ duty stations *[ICSC/33/R.16, paras. 98 and 101]*.

33rd session (March): ICSC noted a report by the UN that it was not at present in a position to finalize the implementation of the job classification standards for the GS and related categories at Baghdad. It would do so as soon as the situation at that duty station made it possible *[A/46/30, vol. 1, para. 189]*.

1995 The Chairman of ICSC promulgated two supplemental benchmarks for Santiago as addition to the benchmarks contained in the Global Classification Standard for Non-Headquarters Duty Stations

following the decision of the agencies located in Santiago to apply the Global Standard instead of developing a separate one.

2010 **70th session (February/March):** The Commission promulgated a new job evaluation system for the General Service and related categories, with effect from 15 March 2010. See A/65/30, para. 192 and Compendium section 8.3.80.

SECTION 8.3.80
UNIVERSAL CLASSIFICATION STANDARD FOR THE GENERAL SERVICE AND RELATED CATEGORIES

2003 **56th session (March/April):** The Commission decided that, in the context of its review of the pay and benefits system, it would build on its 2002 recommendations to the General Assembly [A/57/30, para, 60]. It therefore reviewed and took further decisions with regard to "the continuation of its efforts to update, simplify and streamline the job evaluation system by revising the system for General Service and other locally recruited categories" [ICSC/56/R.11, para. 119].

57th session (July): The Commission decided that with regard to the reform of job evaluation within the context of the review of the pay and benefits system its secretariat, in consultation with organizations and staff representatives, should pursue further research on the proposal to reform the job evaluation system for the General Service and related categories and provide the Commission with a report [A/58/30, para. 35 (d)].

2004 **59th session (July):**

The Commission was provided with an interim report of the status of research into reform of the system at its fifty-ninth session. It noted that some interesting ideas had been discussed in the meetings held at headquarters duty stations, but that there was no need for any further justification of the rationale for reform since the issue had already been discussed and settled at earlier meetings of the Commission. It expressed the view that there should be no difficulties involved in developing a single standard for all duty stations because that would be a major step towards facilitating the classification process.

ICSC recalled that it had already discussed the direction of reform for the General Service and related categories, and the approach implemented for the Professional category and above, namely a holistic system linking competencies to performance, should be applied to the General Service and related categories. Maintaining the status quo was therefore not an option. It was further noted that the reform efforts should not compromise in any way the Flemming or Noblemaire principles, which should be borne in mind in determining the way forward for reform of the General Service and related categories. Furthermore, it was the Commission's expectation that any proposal for the reform of the General Service and related categories would be geared towards an integrated human resource management system. The Commission decided to reiterate that there should be no compromise of the Flemming and Noblemaire principles and to request that its secretariat report to it in 2005 on further progress. [ICSC/59/R.18, paras 159 -161].

2005 **61st session (July):**

The Commission took note of the secretariat's report on considerations related to reviewing the job classification standards for the General Service and related categories as outlined in document ICSC/61/R.9 and the joint position presented by the staff representatives in document ICSC/61/CRP.9. The Commission had never intended to impose a global classification standard that was built from the eight existing standards. It was of the view that the development of a global job evaluation standard required in-depth exploration of the world of work and careful analysis of changing work environments in order to design a system that would meet the needs of organizations and staff. Members of the Commission noted, however, that while it agreed to this analytical approach, it would not be in favour of a redefinition of the General Service and related categories, the development of a new category of staff, or any modifications of the associated conditions of service. There would,

however, be no objection to the redefinition of the nature of work and, in the opinion of some Members, designing a new standard would involve such a redefinition.

The Commission decided to pursue further research in collaboration with organizations and staff representatives on the reform of the job evaluation system for the General Service and related categories. It further decided to establish a working group for that purpose consisting of representatives of the secretariats of ICSC and the United Nations System Chief Executives Board for Coordination (CEB), administrations and staff representatives, with the terms of reference set out in annex III to the present report [ICSC/61/R.18, paras. 89- 91].

2006 **62nd session (March):** The Commission concluded that, to facilitate a meaningful and expeditious conclusion of the review of the General Service and related categories, the working group should be limited to a small number of technicallycompetent members of the group, adopt a focused approach to the content of the work and establish a realistic timetable that would support the reporting dates originally foreseen by the Commission. It therefore decided:

(a) To approve the revised workplan and schedule as set out in annex II to the present report;

(b) To retain the membership of the working group as proposed by the ICSC secretariat: six representatives of the organizations, four representatives of the staff and one representative each from CEB and ICSC secretariats;

(c) To consider the report of the working group at its 2007 spring session [ICSC/62/R.14, para. 103].

2007 **64th session (March):** The Commission took note of the work done by the working group to date and requested its secretariat to present a progress report on the activities of the working group at its spring session in 2008, with a view to finalizing the proposal for the job evaluation system for the General Service and related categories by its summer session in July 2008 [ICSC/64/R.11, para. 346].

2008 **66th session March/April:** The ICSC considered document ICSC/66/R.7 in which the secretariat reported that it had developed a prototype based on the same principles that were used to develop the job evaluation standard for the Professional and higher categories. As in the case with the new master standard for the Professional category, the proposed General Service standard would be automated and would feature a point-factor evaluation system, with four factors similar to those of the Professional standard and some adaptations to better reflect General Service work. [ICSC/66/R.13 para. 79]

The Commission approved the continued development of the job evaluation system for the General Service and related categories based on the application of the same principles underlying the framework of the job evaluation system for the Professional and higher categories. The working group should take under review the inclusion of language as a factor/sub-factor in the new standard. The Commission also approved the “next steps” as set out in paragraph 14 of document ICSC/66/R.7. The secretariat was asked to present a further report to the Commission at its sixty-seventh session. [ICSC/66/R.13 paras.86-89].

67th session (July): The ICSC secretariat provided an update on the development of the standard. The members of the Commission expressed satisfaction at the progress being made in developing the standard for the General Service category and with the level of cooperation given to its secretariat by classification specialists in organizations and staff representatives. Based on the demonstration given

by the secretariat, they were convinced that the standard would be easy to use and could be understood by non-classification personnel. They urged that efforts be made to complete the standard, including the development of a glossary and grade level descriptors, which would help to make the necessary links with competencies and facilitate performance management in organizations. The Commission accepted that a validation rate of 85 per cent or higher was desirable for a smooth transition to the new standard. The Commission requested its secretariat to complete the job evaluation tool for General Service and related categories and report at its sixty- ninth session in summer 2009 [ICSC/67/R.15, 45&46].

2009 **69th session (June-July):** The Commission considered a document from its secretariat on the job evaluation standards for the General Service and related categories. The proposed system consisted of a master standard, which would be the primary job classification tool, and the grade level descriptors, which would provide linkages to competency development and performance management. The Commission expressed satisfaction with the new standard and maintained that the grade level descriptors were a valuable part of the job evaluation system and should not be set aside. It was of the view that the system could be approved for promulgation, but that care should be taken to ensure that the acquired rights of individual staff members were not violated during the implementation process.

The Commission decided to: (a) Approve the new job evaluation system for the General Service and related categories, consisting of: (i) A master standard; and (ii) Grade level descriptors; (b) Approve the new definition of General Service work; (c) Approve the changes to the Common Classificationof Occupational Groups; (d) Request its secretariat to finalize the work on the new job description format, a glossary and written guidelines in the use of the system, as well as benchmark post descriptions, and to present the final elements at its seventieth session for final promulgation of the standard [A/64/30, para. 113].

2010 **70th session (February/March):** The ICSC secretariat presented the Commission with the requested final elements of the system, recommending promulgation of the new General Service job evaluation standard with effect from March 2010, in order that the planned roll-out of the new system might commence through the delivery of regional workshops for common system classification specialists [A/65/30, para. 185].

The Commission decided to promulgate the new General Service job evaluation standards, with effect from 15 March 2010 [A/65/30, para. 192].

2012 **75th session (July):** The ICSC was provided with an update on the implementation of the new job evaluation standard for the General Service and related categories. It was informed by its secretariat that the new standard was now available on ICSC's website, **http://icsc.un.org** in English, French and Spanish [ICSC/75/R.17, para. 49].

The Commission decided: (a) To take note of the progress made by the organizations in implementing the new job evaluation standard for the General Service and related categories; (b) To request the organizations to collaborate with its secretariat and develop action plans, bearing in mind the reasons for promulgating the new standard, including the need for linkage to other human resources subsystems. Action plans should include any technical obstacles that would prevent or delay full implementation of the new standard; (c) To request its secretariat to report on the implementation of the standard at its seventy-ninth session in 2014 [ICSC/75/R.17, para. 55].

2014 Due to the initiation of the comprehensive review of the compensation system for the Professional and higher categories no further review was undertaken until 2018.

2017 **85th session (July)**: The Commission in its review of the use of categories of staff, requested its secretariat to "seek information on the rate of implementation by the common system organizations of

the global classification standard for the General Service category and present the information at its eighty-seventh session [A/72/30, para. 48(c)].

2018 **87th session (July)**: The Commission considered information based on a questionnaire sent to the organizations by the ICSC secretariat (ICSC/87/R.9). The Commission concluded that based on information available, there did not appear to have been any further evolution in the nature of General Service work. The Commission, however, expressed its willingness to keep the matter under consideration in future reviews of the implementation of the standard. The Commission further considered several other issues relating to the General Service job classification standard.

The Commission decided to: (a) Underline the importance of sound data relating to job classification to allow for the effective monitoring of the implementation and application of the global standard by the organizations and the Commission; (b) Request the organizations to ensure the full implementation of the Common Classification of Occupational Groups for the General Service approved by the Commission in 2009; (c) Request the organizations to ensure the full implementation of the global standard to all General Service positions that have not yet been classified against that standard by 2020; (d) Request the organizations to provide information on how they are linking the global classification standard to other human resources subsystems, including competency development and performance management, at the time of its next review of the implementation of the General Service global classification standard; (e) Request the secretariat to continue to update the online tool with a view to enhancing its usability for a wide range of users and web-based platforms, *ICSC/87/R.13, para. 70*.

CHAPTER 8
JOB CLASSIFICATION
(OTHER CATEGORIES)

SECTION 8.4.10
FIELD SERVICE CATEGORY

1987 **25th session (March)**: ICSC considered a note prepared by its secretariat and a report of the UN Secretariat on the development of the Field Service (FS) classification standard and benchmark job descriptions. ICSC was also informed by its secretariat that FAO, which applied some of the FS pay scales for a few functions, had developed an additional benchmark job description for Administrative Clerk, level FS-5, for internal use. This benchmark was also made available separately *[A/42/30, para. 233]*.

26th session (July): The matter was reviewed again on the basis of further clarifications provided by the UN *[A/42/30, para. 233]*. ICSC noted that as several organizations were applying the FS job classification standards and remuneration system, the FS category applied to the common system. It therefore requested its secretariat: (a) to undertake a study in order to establish an appropriate basis for the establishment of the FS salary scales and allowances; (b) to take into consideration the job classification standards developed by the UN for the purpose of that study and to make recommendations for amending the standards if appropriate; (c) to coordinate the study with the UN and the other organizations applying the FS scales *[A/42/30, paras. 241 and 242]*.

2017 In the context of its review of the use of the categories of staff:

The Commission decided to: (b) Recommend to the Secretary-General of the United Nations that: (i) Jobs in the Field Service category should be graded on the basis of the General Service and Professional job classification standards approved by the Commission; (ii) The United Nations and organizations using the Field Service salary scales should confirm, in consultations with the ICSC secretariat, the correspondence between the Field Service grades and the General Service and Professional grades; A/72/30, para. 48.

CHAPTER 9
OTHER PERSONNEL POLICIES

SECTION 9.10
STANDARDS OF RECRUITMENT

1977 **6th session (August/September)**: ICSC had before it a study prepared by the Joint Inspection Unit (JIU), as a basis for its consideration of the action it should undertake in performance of its functions under paragraphs (a), (b) and (c) of article 14. It heard the suggestion made by Inspector Bertrand of JIU for the organization of system-wide competitive examinations to select qualified candidates for inclusion on a "reserve list ", from which appointments would be made to vacancies occurring in the different organizations in generalist posts at grades P-1, P-2 and, possibly, P-3. ICSC made only a preliminary consideration of the question. It recognized the key importance of improved methods of recruitment as a factor in enhancing the quality of the staff and its conformity with the high standards of competence and integrity called for by the Charter and constitutions. At the same time, it emphasized that recruitment should be seen in the context of the other elements of a comprehensive personnel policy, such as the desirable proportions of permanent and fixed-term staff, the implementation of the principle of equitable geographical distribution, uniform job classification standards, etc *[A/32/30, paras. 221-223]*.

1978 **7th and 8th sessions (February/March and July)**: ICSC considered a number of issues pertaining to recruitment standards, policies and practices; the career concept and career development. Noting the complexity of the problems involved, ICSC requested its secretariat to prepare for the 9th session a list of all of the issues to be considered. Given their importance, it decided to allow in the work programme of that session for a substantial block of time to be devoted entirely to their consideration. There the further view of the organizations and of the staff would be heard and the appropriate course of action for ICSC might be determined. ICSC's approach to the whole group of problems would then be reported to the GA at its 34th session *[A/33/30, para. 329]*.

In **resolution 33/119** the GA expressed the hope that, notwithstanding the pressure of urgent problems concerning remuneration, ICSC would be able to assume progressively its functions under articles 13 and 14 of its statute and make progress in 1979 in its consideration of those aspects of personnel policy other than remuneration mentioned in paras. 309 to 329 of the report of ICSC *(A/33/36)*, in particular career development and those other aspects which had occupied the GA's attention at the 33rd session.

1980 **12th session (July/August)**: ICSC considered and endorsed some measures that organizations of the common system could introduce to ensure that adverse discrimination did not play a role in the careers of staff members. It therefore recommended to the organizations the adoption of the following measures: (a) internal filling of vacancies should not be based on "recruitment by word of mouth" which tends to reinforce clique mentality and perpetuate groups presently employed. Vacancies should be announced and should be communicated to all staff members; (b) application by all staff members should be encouraged by considering applications from organizational units and duty stations outside that in which the vacant job is located and by providing adequate time for the receipt of applications. Application procedures should not be set by administrative convenience but in order to obtain the best possible person. (However, staff members should be encouraged to apply quickly in order that vacancies are filled as soon as possible to ensure the smooth operation of the organization); (c) qualification requirements stated in vacancy announcements should be reviewed beforehand to ensure that they are job-related, necessary and non-discriminatory. Education, training, health and years of experience requirements should be related to requirements of the job on the basis of job analysis; (d) terms identifying sex, age and nationality should be removed from internal vacancy announcements. For example, job titles such as "draughtsman", "cameraman", "male nurse", etc. should be replaced by

"draughter", "camera operator", and "nurse". Reference to the incumbent as "he" or "she" should be removed as well; (d) announcements should be published in all working languages of the organization; (f) selection should not be based on sex, age, nationality, physical appearance or any consideration not relating to merit. Seniority with the organization should not in itself be a factor of consideration for advancement except in those specific cases in which it is not possible to distinguish between two or more applicants on the basis of qualification requirements and merit. In such cases the applicant with greater years of service should be given consideration; (g) if examinations are used as a basis for internal placement decisions they must be constructed in such a way that they do not have the effect of discriminating on the basis of sex, age, nationality, culture, etc.; (h) interviews used in the selection process should be structured. They should all be conducted in a like manner so as to maximize objectivity and to prevent overall personality-related assessments which can be open to prejudice. Check lists of useful questions to be asked and training in interviewing techniques should be given to the personnel officers and managers who conduct interviews; (i) cross-cultural training should be encouraged for managers and other occupying positions of career-related decision-making. Programmes that increase inter-group awareness and cooperation should be implemented. Managers should be reminded to guard against the tendency to select someone resembling themselves rather than to seek characteristics related to the job; (j) as a component of career counselling provided to all staff members, members of groups against which discrimination may exist should receive separate counselling. Such counselling would aim at making these staff members aware of the form(s) of (illegal) discrimination which may exist or other problems which they may face and able to recognize specific instances of discrimination or unfair treatment so that they may be reported and investigated; (k) Persons chosen as career counsellors should have undergone rigorous selection procedures to ensure that they are objective and free of prejudice. They should know, and be capable of communicating to all staff members in the organization, the qualifications required, the education and training programmes available and other information related to career development; (l) executive heads, chiefs of personnel, career development and placement, specialists and managers should resist pressures from any national government to show favouritism in the development of careers of its citizens. The executive head should appeal to the Member States of his or her organization to refrain from exerting such pressures; (m) positions within an organization should not be designated (either formally or informally) as the specific domain of any country or group of countries *[A/35/30, para. 291]*. ICSC observed that these measures would apply in differing degrees to women, young people and nationals of certain countries but would also apply to groups such as handicapped persons. Furthermore, some of these measures would prove more effective than others depending on the problems and the practices that exist within a given organization. Organizations would have therefore to choose which of the measures to implement first depending on existing resources and practices; however, all organizations should be prepared to accept the underlying principles. ICSC believed that these measures would, if instituted, help to ensure that career opportunities are open to all staff members and career-related decisions are based on objectively determined, merit-related considerations *[A/35/30, para. 292]*.

ICSC also considered the question of **inter-organization exchange programmes**. After hearing the views of the representatives of the organizations and of the staff, it concluded that, at the least, present procedures for promoting exchange of staff should be made more consistent. A common prospection procedure should be applied that would require that organizations first seek qualified candidates from within. In the absence of these, organizations would next search for candidates from other organizations of the common system. If suitably qualified candidates were not produced through this step, then organizations would look outside the common system. By the adoption of this approach vacancies would be filled in the first and second instances through career development measures and, where not possible, through conventional recruitment methods. ICSC therefore recommended to the organizations of the common system the adoption and application of these common prospection procedures *[A/35/30, para. 297]*.

1981 **13th session (February/March)**: ICSC considered that the common prospecting procedures it had recommended at its 12th session would be improved by the modification proposed by CCAQ. Time could be saved by permitting prospecting simultaneously within the organization, among other organizations and outside the common system, provided that in the selection process qualified candidates were given preference in that order. Vacancies would still be filled in the first and second instances through career development measures. In the implementation of the third step, recruitment outside the common system, the paramount consideration should, of course, be the necessity for securing the highest standards of efficiency, competence and integrity, with due regard being paid to the importance of recruiting staff on as wide a geographical basis as possible.

ICSC recommended such prospecting procedures to the organizations *[A/35/30, para. 139]*.

1982 **15th session (March)**: In the framework of its study on recruitment ICSC considered that: a well equipped recruitment programme, with adequate and timely information about forthcoming vacancies, broad contacts with recruitment sources, up-to-date rosters, trained interviewers, travel funds, strong support and assistance from line managers and other staff, and with adequate clerical assistance, would already go a long way to produce a sufficient flow of candidates from all Member States who meet the highest standards. ICSC therefore recommended that organizations should allocate sufficient resources to their recruitment programmes *[A/37/30, annex I, paras. 40 and 41]*.

ICSC concurred with JIU that written examinations or tests might prove to be a useful recruitment tool, but a word of caution had to be added. First of all, tests should never be used in isolation, but always as a component of a broader range of selection tools, including reference checks, interviews, and a review of educational background and academic achievements. Furthermore, written tests were difficult to develop, and even more difficult to validate. For each type of skills, or aptitude, separate tests should be used, and in order to ensure confidentiality, new tests should constantly be produced. While tests could be useful to identify certain aptitudes or skills, they did not reveal lack of motivation, lack of social adjustment, lack of professional interest, personal difficulties and constraints or other elements that could preclude recruitment. Testing was expensive, and unless one could justify that the addition of tests to a selection procedure visibly improved that process, testing might prove to be a waste of funds. Testing concepts and methods should also be reviewed in terms of reliability, consistency, standardization of testing conditions and test validity *[A/37/30, annex I, appendix II, para. 77]*. ICSC believed that it had to request organizations to reflect before they adopted the use of competitive examinations as the sole selection instrument for recruitment at the P-1 and P-2 level, as recommended by the JIU *[A/37/30, annex I, appendix II, para. 79]*.

1982 16th session (July): In its report to the GA on the concepts of career, types of appointment, career development and related questions, the Commission provided its views on the role of recruitment in career development *[A/37/30, annex I, appendix II, paras. 120-122]*. ICSC approved a general work programme in the area of recruitment in the context of its report to the GA on the concepts of career, types of appointment, career development and related questions *[A/37/30, annex I, appendix II, para. 74]*.

1983 **18th session (July/August)**: Further considerations submitted by the secretariat were taken into account and, on that basis, ICSC decided to establish the following priorities and timetable for its work programme: (a) the selection interview (19th session); (b) review of educational credentials, language skills, and practical experience; the use of reference checks (19th session); (c) the use of tests, including the validity of competitive examinations as a screening mechanism (20th session); (d) selection processes and mechanisms (20th session); (e) the development of recruitment sources, including national recruitment services (21st session); (f) proper recruitment measures for nationals from unrepresented or underrepresented Member States (21st session); (g) proper recruitment measures for women, young people and the disabled (22nd session); (h) the establishment and

maintenance of rosters, and the possibilities of collaboration between organizations in the exchange of information (22nd session); (i) the extension of common prospection procedures (22nd session); (j) specific policies for project personnel and for locally recruited staff (23rd session) *[A/38/30, para. 149]*.

1984 **19th session (March)**: ICSC stressed the importance of a selection process that took full account of all provisions of Article 101 of the Charter of the United Nations, including the "necessity of securing the highest standards of efficiency, competence and integrity". In that context, ICSC noted that communication skills, empathy towards other cultures and an institution-building orientation were qualities that could contribute measurably to the success of international civil servants, and it concluded that the use of interviews was an effective means of establishing the presence of such qualities in candidates for employment. Moreover, several ICSC members pointed out that, in dealing with the various topics identified for study in the area of recruitment policy, due attention should be paid to their interrelated nature. ICSC decided: (a) to recommend that the organizations conduct employment interviews as a desirable component of their selection process and choose, to the extent possible, a structured, evaluative approach, preferably involving a series of interviews; (b) to recommend that organizations provide adequate training in interviewing techniques to all staff directly involved in the selection process, in order to ensure and maximize the reliability and validity of their recruitment decisions; (c) to request the organizations to take note of the detailed considerations contained in the secretariat's document relating to the theory and practice of interviewing; (d) to request its secretariat to make the relevant sections available in an appropriate format to enable the organizations to further acquaint staff directly involved in the selection process with the issues pertaining to interviewing for an intercultural work environment; (e) to recommend that the organizations use reference checks in their recruitment process, taking into account the considerations outlined by the secretariat as well as the use of, to the extent possible, the sample form proposed; (f) to request the secretariat to organize, within existing budgetary resources and with the assistance of the organizations, a pilot workshop on interviewing techniques, to be held during the latter half of 1984 in New York, which would, among other things, draw upon the experience of recruitment specialists from the organizations of the common system, while providing them with an opportunity to exchange views *[A/39/30, paras. 214 and 215]*.

20th session (July): ICSC considered a document prepared at its request by CCAQ. It noted that the role of selection bodies in the recruitment and promotion of staff, *inter alia*, was to provide a balance between the filling of posts from internal and external sources, taking into account both the broad interests of the organizations as well as the career interests of staff. The existence of selection bodies would enable executive heads to benefit from the judgements and experience of persons who enjoyed the confidence of both management and staff. It recommended that staff representatives be empowered to nominate a reasonable and proportionate number of members of organizations' selection bodies. It further recommended that every organization rely upon selection bodies to advise its executive head on the appointment and promotion of staff at all levels normally considered to be part of the career service in that organizations *[A/39/30, paras. 216 and 217]*.

ICSC discussed the **use of tests for recruitment purposes** on the basis of a paper prepared by its secretariat. After taking into account the views of the representatives of the organizations and the staff, ICSC decided to recommend that the organizations: (a) conduct formal examinations for the recruitment of all interpreters, translators, editors and proof-readers against continuing established language-related posts, with the full involvement of both the substantive office and the personnel department concerned, and retain a selection interview as an integral part such examinations; (b) pursue, on an inter-agency basis, their efforts to harmonize and standardize further such official recruitment examinations for P language staff, with due regard for the staffing needs and the language and technical requirements of the organization; (c) standardize further the examinations for the

recruitment of accounting or finance clerks, statistical clerks and editorial assistants, so that the testing materials developed could be used on an inter-organizational basis; (d) further standardize their examinations for shorthand-typists and typists and review periodically, on an inter-agency basis, the relevance of the existing standards to ascertain that these continue to meet the actual needs of the newly developing office technology; (e) devise and introduce a clerical test for the recruitment of staff for general clerical posts based on the New York model and adapted to local conditions; (f) consider, through the Language Training Group of the CCAQ Sub-Committee on Staff Training, the feasibility of an inter-agency proficiency examination and report their findings to the 22nd session; (g) apply more fully the functional definitions of language proficiency levels as adopted by the CCAQ Sub-Committee on Staff Training in determining the recruitment standards for specific posts and keep these definitions under review on an ongoing basis; (h) examine closely, through the Language Training Group of the CCAQ Sub-Committee on Staff Training, the FAO language ability test, in order to ascertain, *inter alia*, whether this test could be utilized by other organizations for recruitment purposes; (i) reappraise the objectives of the language proficiency examination in the light of their functional requirements, bearing in mind that draft examinations are submitted to them by the UN for review; (j) assess, prior to recruitment, the drafting abilities of candidates for P posts, if the specific requirements of the post so warranted *[A/39/30, para. 218]*.

1985 **21st session (March)**: ICSC 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 to requirements for technical cooperation activities. The study reviewed several issues raised by the Governing Council of UNDP in decision 28/7 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. ICSC 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 cooperation positions *[A/40/30, para. 248]*.

ICSC agreed: (a) to note decision 28/7 of the UNDP Governing Council and to reaffirm the need for continuous efforts to establish and strengthen NRSs; (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 28/7; (c) to emphasize the importance of appropriate recruitment measures for technical cooperation personnel; (d) to request the organizations further to harmonize and coordinate 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, NRSs and other recruitment sources and to circulate standard job descriptions or general functional descriptions of the type of expertise and skills that they wished 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 NRSs; (i) to request the organizations to make full use of those NRSs that had already been established and keep them informed at all times of their programmes in the country concerned; (j) to recommend that the organizations of the common system could benefit from the strengthening of NRSs 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; (k) 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 NRSs, and to request both the organizations and the interested Member States to pursue such proposals actively; (l) to request the governing bodies of the organizations to recommend to Member States that had no special provisions to facilitate the secondment of their nationals to organizations of the common system that they considered special measures and appropriate legislation to that effect; (m) to request the governing bodies of the organizations to recommend that those Member States that had not yet done so to 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; (n) to recommend that the organizations consider using reimbursable loan agreements for specific technical assignments of limited duration in the context of technical cooperation activities, in order to obtain access to candidates whose career commitments would otherwise preclude service with the common system; (o) to recommend that the organizations make full use of the United Nations Volunteers, the Associate Experts scheme and non-governmental organizations as ongoing sources to develop their rosters; (p) to note the valuable contribution that retired persons from outside the common system could make to technical cooperation activities and to request the organizations to consider such candidates in fields of work where expertise was scarce *[A/40/30, para. 252]*.

22nd session (July): ICSC reviewed a document submitted by CCAQ in response to the request by ICSC at its 22nd session that the organizations consider a range of recommendations on language proficiency testing. ICSC expressed the hope that those topics would be pursued further through the appropriate sub-organs of CCAQ. ICSC considered that the varying definitions of language proficiency given by the governing bodies of the organizations did not allow for a fully common approach at the present time. It requested the organizations to coordinate and harmonise, to the extent possible, their language proficiency examinations for serving staff *[A/40/30, paras. 253 and 257]*.

In **resolution 40/244**, the GA welcomed the ICSC recommendations concerning the development of recruitment sources, including National Recruitment Services.

1986 **23rd session (March)**: ICSC considered a study that examined features of the **roster system**, including its function, criteria for inclusion and how rosters were maintained and updated. The study also surveyed the experience of organizations with respect to their roster systems, as well as the obstacles to effective roster-building *[A/41/30, para. 191]*. ICSC agreed: (a) to request the organizations, to improve human resources planning and interagency compatibility, to establish a link between the CCOG and their individual roster codes by making cross references to the CCOG; (b) to request the organizations to consider adding to their personal history forms a question where applicants for specific posts could signify consent to being rostered for general consideration as well as to having their applications shared with other organizations; (c) to recommend to the organizations that rigorous screening should precede the rostering of candidates so that only candidates who fully met all recruitment requirements were included in their rosters; (d) to recommend to the organizations that had not already done so that they reexamine their roster systems with a view to maintaining rosters that were realistic in size, manageable in terms of access and cost-effective; (e) to recommend to the organizations that they should each integrate their internal roster systems to the extent possible so that coding and software programmes for searches were compatible within the same organization; (f) to recommend to the organizations that they should encourage managers in substantive departments to eliminate departmental rosters and contribute valuable candidates to the main roster; (g) to recommend that managers should have more direct access to the main organization roster and that, if necessary, training or briefing in the use of rosters should be offered for that purpose; (h) to foster inter-agency co-operation by encouraging the organizations to exchange data on a regular basis, either by: (i) forwarding to other organizations the names of candidates who might not be suitable for one particular

organization, but might be of interest to other organizations; (ii) recommending that, for both common and "difficult" fields of work, organizations should permit access to each others' computerized rosters and, in organizations where rosters were not computerized, establish a regular programme of exchanging information with other organizations; (iii) recommending that, when carrying out recruitment missions, the organizations should interview candidates for existing and anticipated vacancies *[A/41/30,para. 196]*.

1987 By **resolution 41/213**, the GA requested the SG to transmit a number of recommendations of the Group of 18 to ICSC for advice. ICSC reiterated its previous recommendations in the area of competitive examinations, interviewing techniques and testing of candidates and advised that recommendation 43 was in line with those recommendations *[A/42/30, para. 45(b)]*.

1994 **39th session (February/March)**: ICSC considered an analysis of recruitment and retention difficulties prepared by CCAQ *(ICSC/39/R.4/Add.4)* which ICSC had requested in order to assist it in determining whether common system remuneration levels were sufficiently competitive *(see also section 2.1.10)*.

The preliminary conclusions drawn from the study were that: (a) common system overall turnover was greater than that of the US Federal Civil Service at comparable grades; (b) approximately one third of all departures were voluntary; (c) voluntary departures - i.e. resignations, non-acceptance of contract renewal and early retirements - occurred on average after six years' service; (d) more than three quarters of all voluntary departures were cases of resignations and non-acceptance of contract renewal; (e) voluntary departures were most critical (i) at grades P-4 and above, (ii) for nationals from the Western European and other Group and (iii) in the administrative, technical, scientific and medical areas; (f) an analysis of over 20,000 applications for 455 vacancies in 1992-1993 indicated that, although on average there were 44 applicants for each vacant post, only approximately 3 candidates were deemed to be well qualified for each vacancy; (g) the supply of qualified candidates, especially for positions at levels P-4 and above, was inadequate if organizations were to meet their responsibilities regarding maintaining high standards of competence, efficiency and integrity. That held true for administrative and linguistic as well as more scientific positions.

ICSC noted with appreciation the information presented to CCAQ which represented substantial progress towards the establishment of a solid database on recruitment and turnover rates. It also recognized the considerable efforts that had been made to compile the data, and stressed the importance, both with regard to the subject at hand and for human resource planning and management in general, of establishing personnel information systems that would enable staffing data to be retrieved and analysed expeditiously. It trusted that the organizations themselves would now recognize the cost-effectiveness of such systems. That having been said, ICSC was somewhat hesitant about using only statistical data on recruitment and retention as the sole indicator of the adequacy or otherwise of remuneration.

There were a number of other factors that came into play. In respect of recruitment they included recruitment and prospecting methods; need to respond to policy requirements in respect of geographical distribution, gender balance and, in some cases, recruitment of young people; the increase in dual career families, etc. So far as retention of staff was concerned, turnover rates were not necessarily a sign of disaffection with salary levels; sometimes staff simply wished to make a career change. In some organizations, staff were being encouraged to leave under reduction-in-force exercises. It was also noted that a degree of staff turnover was healthy: what was important to establish was whether the rates of turnover in the organizations were unduly high, and, if so, why.

ICSC considered that, although the data presented showed that there were some recruitment difficulties at some grade levels in respect of some occupations and nationalities, they did not demonstrate convincingly that the problems were widespread or acute. In particular, it was difficult to establish

whether the turnover rates reported were really abnormally high for the international civil service, since no norms had been established in that regard. The inherent difficulties of drawing conclusions from recruitment data were also recognized, given that it was often an exercise in proving negatives. ICSC felt that the data provided a good baseline against which future analyses could be compared and trends established. For future exercises, further data on the reasons for voluntary departures should be provided: in that regard, case-studies such as those given in the document were useful, although they needed to be supported by statistical data *[A/49/30,paras. 155-161]*.

2008 **66th session:** In section I.E. of its resolution 61/239, the General Assembly requested the Commission to consider the effectiveness and impact of measures designed to promote recruitment and retention, especially in difficult duty stations. The Commission, at its sixtysixth session, considered an interim report and examined additional data from a follow-up questionnaire submitted to 26 organizations of the United Nations common system, 23 of which responded.

67th session: To obtain the perspective of the staff, a global staff survey, open to all staff, in all categories, in all locations, was carried out by the Secretariat. The results of the staff survey were presented to the Commission at its sixty-seventh session.
The Commission noted that the common system did not appear to have a serious recruitment problem in terms of filling vacancies, but it was concerned that almost one quarter of recruitment cases had reportedly experienced difficulties in terms of attracting staff with the necessary skills and experience, thus posing the question of quality rather than quantity. The Commission noted the consistency of staff responses in identifying the factors accorded high importance but low satisfaction rates, and noted that they all related to career development, professional development opportunities, work-related stress, and work/life balance (including spousal employment).

Notwithstanding the general findings, the Commission noted that there are certain difficult duty stations, including United Nations missions, where there are significant difficulties in attracting and retaining staff.

The Commission requested its secretariat to continue its work in producing further analysis of the data which could be used in subsequent work and decided to recommend to the General Assembly that it take note of the findings of the Commission, with a view to encouraging organizations of the United Nations system to develop strategies to address recruitment and retention factors.

In **resolution 63/251**, The General Assembly, welcomed the decision of the Commission to undertake a global staff survey to complement the findings of its studies, invited the Commission to conduct similar staff surveys periodically in support of its work, as well as any follow-up surveys and requests the Commission to continue its consideration of issues related to recruitment and retention and to report thereon as appropriate.

2009 **69th session (June-July):** The Commission looked further into the issue of staff motivation by analysis of additional data, including some 7,000 individual comments submitted by the surveyed staff and has conducted a study with more detailed findings to supplement the original ones. Organizations were asked whether they were able to attract the right staff. Of the responding organizations, 71 per cent (15 of 21) said “yes”, 24 per cent said “no”, and 5 per cent said “partially”. Organizations were also asked if there were any recruitment issues in specific areas. The study found that the factors that induce staff satisfaction (and which if absent would motivate people to leave) are not the same as those that induce motivation (and hence effectiveness).

The Commission decided to recommend to organizations that they: (a) Utilize the results of the study on recruitment and retention measures, as appropriate, in developing their career or talent management plans for targeted interventions; (b) Continue to support investment in training and in enhancing the

personal and professional development of staff and in measures to evaluate the impact of such measures on performance; (c) Create more structured pre - and post-recruitment measures through which both potential and newly appointed staff can obtain first-hand information on work experience in the organizations, as well as information on all staff -related benefits, including but not limited to, work/life balance measures.[ICSC/69/R.13, para. 38].

2014 **78th session (March)**: As part of the comprehensive review of the common system compensation package, a global staff survey, open to all staff in all categories and in all locations, had been organized by the ICSC secretariat in order to obtain the perspective of the staff in the areas of concern linked to both compensation and performance management issues. The key findings of the staff survey, which included data from approximately 14,000 responses, were presented to the Commission at its seventy-eighth session. In addition, the views of the executive heads and human resources directors of 18 United Nations common system organizations, specialized agencies and funds and programmes were sought. A series of 5 questions was asked of the executive heads and a more detailed set of 19 questions was asked of human resources directors. Responses were obtained through a series of interviews carried out by a consultant accompanied by the Chair or Vice-Chair of ICSC. Several working groups had been established by the Commission to consider various aspects of the compensation package.

The Commission decided: (a) To take note of the findings of the global staff survey and the findings from the consultations with the executive heads and human resources directors and take into account the challenges faced by the organizations and the suggestions from the executive heads of the organizations during their discussions of the issues related to the overall compensation review; (b) To request its secretariat to continue with the data analysis of the staff survey results and provide the information to the working groups, as required; (c) To request the secretariat to continue to undertake staff surveys in the future.

2015 **80th session (March**): As part of the comprehensive review of the compensation package, the issue of additional targeted incentives was considered. The working group reviewed proposals developed by the secretariat on the introduction of additional incentives for recruitment and retention. This emanated from a request from some executive heads of organizations for the introduction of recruitment bonuses. Subsequently, the Commission decided that the working group should provide recommendations on the scope and overall parameters for the operation of flexible bonuses to be used in exceptional circumstances.

The working group agreed on the following:

(a) Retention: given that retention did not seem to be a problem within the United Nations, no incentive was necessary for this purpose; (b) Relocation: the mobility and hardship allowance was in place for this purpose. This allowance and other existing mechanisms should be applied or strengthened if necessary; (c) Recruitment: it was agreed that additional incentives could be granted in circumstances in which highly specialized expertise was needed and the normal channel did not yield appropriate candidates. The additional incentive scheme for the recruitment of experts in certain fields would be assessed after three years by the Commission to determine the implementation and usage of the scheme, including amounts granted, and experiences with it; (d) With regard to the recruitment incentive: (i) It should not exceed 25 per cent of annual net base salary for each year of the agreed contract; (ii) Appropriate written documentation should be in place; (iii) The Commission would request organizations to report periodically on the payment of such additional incentives; (iv) The scheme would be reviewed and assessed after a period of three years from the date of its implementation [ICSC/80/R.4, para. 28].

The Commission decided to recommend to the General Assembly: inter alia,

To introduce an incentive payment for the recruitment of experts in highly specialized fields in instances in which the organization was unable to attract suitably qualified personnel. Such recruitment incentives should not exceed 25 per cent of annual base salary for each year of the agreed contract. Organizations should report to the Commission periodically on the payment of the additional incentives. The Commission would assess the scheme after a period of three years from the date of its implementation [A/70/30, 279(c)].

The General Assembly approved an incentive payment for the recruitment of experts in highly specialized fields in instances in which the Organization is unable to attract suitably qualified personnel, as described and recommended in paragraphs 271 and 279 (c) of the report of the Commission and decided that the Commission should assess the scheme after a period of three years from the date of its implementation [A/RES/70/244, Section III, para. 53].

2019 **89th session (July)**: In its resolution 70/244, the General Assembly invited the Commission to present a progress report on the implementation of the new common system compensation package at the seventy-first session of the Assembly and a comprehensive assessment report, including a global staff survey on the conditions of service, no later than at its seventy-fifth session. At its eighty-ninth session, a progress report was presented to inform the Commission of the preparatory work for the 2019 global staff survey.

The Commission took note of the progress report and the project timeline, noting that the results of the survey would be presented at its ninetieth session in 2020 [ICSC/89/R.15, para. 77].

2020 **90th session (October):**

Global staff survey

The Commission was presented with the findings of the global staff survey. The survey was built upon the 2013 survey but was updated to reflect the elements of the current compensation package for the internationally recruited Professional and higher categories, in order that a comparative analysis could be undertaken of the perspectives of the staff before and after the 2016 compensation review. The Commission noted that some 23,000 staff had participated in the survey, representing an increase of 9,000 respondents as compared to the 2013 survey. This demonstrated a significant increase in the level of interest and engagement of the staff. Overall, 23,107 common system staff members out of a total of 108,132 responded to the survey, resulting in a response rate of 21 per cent, which represented an increase from the 14 per cent response rate in 2013. In statistical terms, the sample was considered a good representation of the common system staff population.

The Commission decided to:

(a) Take note of the findings of the global staff survey.

(b) Request its secretariat to continue with the data analysis of the staff survey results, including with respect to the internationally recruited categories (48 per cent of respondents) when preparing the comprehensive assessment report of the new common system compensation package, as requested by the General Assembly in its resolution 70/244;

(c) Take note that the next global staff survey would be conducted in five years' time. [ICSC/90/R.16, para. 79].

Incentive payment (recruitment incentive)

The Commission also considered the use of the incentive payment for the recruitment of experts in highly specialized fields. Information provided by the 23 common system organizations that responded to a questionnaire from the secretariat of the Commission showed that only one organization, UNDP, had made recruitment incentive payments, and only in one case.

The Commission decided to inform the General Assembly that it would conduct a further review of the recruitment incentive in two years' time, with a view to assessing its use. [A/75/30, para. 114].

2022 94th session (July): At its ninety-fourth session, the Commission reviewed the implementation of the recruitment incentive based on a questionnaire by the ICSC secretariat seeking information from the organizations, to which all the common system organizations responded. The Commission had recognized that the recruitment incentive would be used under very limited circumstances. The data from the questionnaire responses revealed that only two organizations, UNICEF and WIPO, reported making recruitment incentive payments to a total of two staff members. Including the payment reported by UNDP at the time of the previous review in 2020, three organizations in total had reported making recruitment incentive payments since its inception. [A/77/30]

The Commission decided:
(a) To review the incentive for the recruitment of experts in highly specialized fields at the time of the next comprehensive review requested by the General Assembly in its resolution 76/240;
(b) To request the organizations to continue to report on the implementation of the recruitment incentive to the Commission every two years, until the comprehensive review of the compensation package by the General Assembly was undertaken. [A/77/30, para. 189]

SECTION 9.20
SPECIAL MEASURES FOR THE RECRUITMENT OF WOMEN

1985 **22nd session (July)**: ICSC 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. Two-thirds of the P 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. 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 P 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 *[A/40/30, para. 241]*.

ICSC considered that: (a) while special recruitment measures were essential in effecting significant changes in the status of P 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 P 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 P 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 bureaux, alumnae of major universities, non-governmental organizations, national officers, former recipients of fellowships, associate experts and UN 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 P women in technical cooperation 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 *[A/40/30, para. 245]*.

ICSC further recommended that all organizations that had 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 below to the extent they are applicable and the organizations should be requested to identify those managers who are 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 cooperation 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. *[A/40/30, para. 246]*

In **resolution 40/244**, the GA welcomed the ICSC recommendations contained in para. 245 of its report concerning the introduction of special measures for the recruitment of women, was cognizant of the contents of paras. 246 and 247 of the same report and requested ICSC to report to the GA at its 41st (1986) session on the progress made in this regard.

1986 **24th session (July)**: ICSC considered a document and note submitted by its secretariat *(ICSC/24/R.13)* on progress since the 22nd session in undertaking special measures for the recruitment of women. The document contained a form suitable for monitoring purposes to be used by the organizations for future reporting on the subject *[A/41/30, para. 204]*. ICSC recommended that: (a) at the forthcoming National Recruitment Services (NRS) meeting in October, the organizations should arrange for their representation not only by recruitment officers for technical assistance posts but also by senior recruitment personnel covering regular programme posts; (b) the organizations should actively continue their efforts to improve the participation of women by reaffirming commitment at the highest levels to the goal of increasing both the numbers of P women as well as their presence in senior decision-making and policy-level posts; (c) organizations that had already set targets should reassess them in the light of progress achieved and, if necessary, introduce sub-targets for individual units to facilitate monitoring; organizations that had not established targets should do so; (d) organizations that had particular difficulty in recruiting and increasing the number of women on their staff should waive procedural criteria, as appropriate, along the lines of the action proposed by the WHO DG; (e) organizations that reported that they were constrained by their size or the highly specialized nature of their mandate from carrying out the recommendations, but nevertheless continued to recruit and promote personnel, should make special efforts to improve the participation of women, as described in subparagraph (b) above; (f) the organizations should institutionalize a monitoring function to measure progress and report, using as a model the form prepared by the ICSC secretariat, at regular intervals to the appropriate body identified for that purpose; (g) CCAQ should report separately on women staff in all categories of its annual personnel statistics so that this information would be accessible to all organizations for monitoring purposes and would become part of the permanent record on this question; (h) the organizations should report to ICSC at its 26th session on further progress achieved, with respect both to the 1985 recommendations and those above *[A/41/30, para. 209]*.

By **resolution 41/207**, the GA took note of ICSC recommendations; invited each organization of the common system to collect and analyse statistics regarding the relative time spent by women and men in each grade of the P and higher categories and to submit to ICSC proposals for removing obstacles to equality in promotion prospects for women and men; invited ICSC to coordinate these proposals with a view to making recommendations to the GA at its 43rd (1988) session and to other legislative organs of the common system.

1987 **26th session (July)**: ICSC continued its consideration of the recruitment of women. On the basis of an interim report prepared by its secretariat *(ICSC/26/R.15)*, ICSC examined a range of data related to the recruitment and promotion of women in the organizations for 1985 and 1986. The secretariat's document noted that most organizations were still recruiting men at higher rates than women and that for women this recruitment tended to take place below the P-4 level. With respect to promotion, on which data had not previously been available, while the rate for women compared favourably to that of men, in this area as well, promotion took place for the most part below the P-4 level *[A/42/30, para. 289]*. ICSC decided, on the basis of the secretariat's data, and noting the limited progress made in this area over the past year: (a) to reaffirm the validity of its previous recommendations; (b) to keep the item on its work programme by conducting extensive monitoring biennially on the basis of full progress reports and, in alternate years, on the basis of statistical data *[A/42/30, para. 296]*.

By **resolution 41/213**, the GA requested the SG to transmit a number of recommendations of the "Group of 18" to ICSC for advice. ICSC welcomed recommendation 46 concerning the recruitment of women, which was in line with ICSC's previous recommendations in this area *[A/42/30, para. 46(c)]*.

By **resolution 42/221**, the GA took note of the ICSC decision to reaffirm the validity of its previous recommendations on special measures for the recruitment of women and to keep the item on its work programme and, in the light of resolution 41/207 (1986), requested ICSC to report to the GA at its 43rd

session on: (a) measures taken by the organizations of the UN common system, since the end of the UN Decade for Women: Equality, Development and Peace, to improve the status of women in their secretariats; (b) results achieved during the same period at each level of the P category and in the GS category.

1988 **28th session (July)**: ICSC considered a document prepared by its secretariat *(ICSC/28/R.11)* as part of its ongoing review of the status of women in the organizations of the UN common system. With a few notable exceptions, organizations reported little progress in carrying out the recommendations presented to the GA in 1985. While most organizations had made a commitment to the principle of improving the status of women, commitment had not always been translated into action. It was evident from the information available that the organizations with the highest success rates were those where targets had been set and monitoring took place *[A/43/30, para. 89]*.

ICSC requested its Chairman to invite governing bodies, through the executive heads, to place the matter on the agenda of their next meeting and to report thereon to ICSC at its thirtieth session. This decision was directed particularly at organizations where progress in improving the status of women had been limited and where such action had not already been taken *[A/43/30, para. 90]*.

ICSC recommended to the organizations that they: (a) stress the importance of commitment at the highest level to employ and promote more women, especially in mainstream (decision-making and policy-level) functions and at senior levels, and if they had not already done so, to establish specific targets and goals and report thereon to ICSC at its 30th session; (b) take concrete steps to broaden and strengthen their contacts with national recruitment services, when possible, in line with earlier recommendations in this area; (c) amend, if they had not already done so, their personal history forms to permit candidates to indicate their willingness to have the forms shared with other agencies; (d) amend, if they had not already done so, staff rules prohibiting the appointment of family members to permit the recruitment of spouses for established posts.

ICSC further decided to request its secretariat, at the forthcoming biennial meeting of national recruitment services to be held in October 1988, to discuss the feasibility of convening a special meeting with representatives of these services to discuss common recruitment strategies for women *[A/43/30, para. 91]*.

1989 By **resolution 44/198**, the GA recalled its request that ICSC report at its 45th (1990) session on progress made by the organizations of the UN common system in connection with the introduction of special measures for the recruitment of women. It also urged the organizations to provide the necessary information to ICSC for this report.

1990 **31st and 32nd sessions (March and July/August)**: In response to the requests of the GA, ICSC considered the question of the status of women in the organizations, in both the P and the GS categories, in the context of its standing item on special measures for the recruitment of women, and recommended to the organizations that: (a) in cases where national administrations required sponsorship, the organizations should do their utmost to inform those administrations of the importance they attached to the submission of women candidates; (b) the highly technical organizations that reported the most difficulty in recruiting women should consider establishing outreach training programmes along the lines developed by IMO; (c) they should intensify their efforts to increase the number of women at the P-5 level and above and in decision-making and policy-shaping posts throughout the organizations; (d) they should establish, if they had not already done so, clear targets whose implementation was monitored; (e) where appropriate, they should intensify their efforts to increase the number of women consultants and technical advisers; (f) they should abolish, if they had not already done so, the staff rules prohibiting the employment of spouses on regular posts; (g) they should intensify their efforts to facilitate as appropriate the employment of staff members'

spouses; (h) they should amend, if they had not already done so, their personal history forms to permit candidates to indicate their willingness to have their forms shared with other agencies *[A/45/30, paras. 271 and 279]*.

ICSC also decided that: (a) in order to meet the request of the GA in resolution 42/221 (as noted above), the secretariat would remind the organizations of its past recommendations on the subject of career development for staff in the GS category and request them to reply on the implementation of these recommendations and any other action they had taken; (b) to form a tripartite working group on the status of women in both the GS and P categories whose terms of reference would be quite broad, and whose overall aim would be to identify the problems facing women in the UN system and to aid ICSC in devising strategies for the implementation of its recommendations *[A/45/30, para. 288]*.

By **resolution 45/241**, the GA recalled its earlier resolutions drawing the organization's attention to ICSC recommendations with respect to special measures for the recruitment of women, the need for organizations to submit proposals to ICSC for removing obstacles to equality in promotion prospects, and the importance of providing information on measures taken and results achieved in improving the status of women in both the P and higher categories and the GS and related categories in the secretariats of the organizations. The GA, concerned at the slow and uneven progress in these areas, invited ICSC, working together with the organizations of the common system and with the staff representatives, to examine specific and practical steps to translate into action the recommendations and requests recalled in the present section and to report thereon to the GA at its 47th session.

1992 **35th session (March)**: ICSC considered the report of the **Working Group on the Status of Women in the United Nations System** established at its 32nd session *(ICSC/35/R.16)*. The report was a synthesis of the Working Group's discussions at its two substantive meetings held in August 1991 and February 1992. The mandate of the Group had been to establish practical mechanisms to assist the organizations in implementing the numerous earlier recommendations made on the subject. Its work had been structured around the following main subject areas: (a) recruitment; (b) career progression; (c) work/family-related issues; (d) work climate/environment, attitudinal issues; and (e) follow-up mechanisms (monitoring, reporting and accountability). A series of recommendations in each of those areas was presented for ICSC's consideration. ICSC decided: (a) to endorse the recommendations of the Working Group and to commend them for speedy implementation by the organizations; (b) to request its secretariat to present a final version of the report at the thirty-sixth session, for approval and onward transmission to the GA; (c) to request the secretariat to collect statistical data on the number of women in the common-system organizations for consideration at its 37th session. Thereafter, and starting in 1994, ICSC would consider progress reports, including statistical data, on a biennial basis *[ICSC/35/R.17, para. 182]*.

36th session (August): On the basis of the final revised report *(ICSC/35/R.16/Rev. 1)*, ICSC endorsed the following recommendations:

(a) **overall strategy/policy**: developing of a policy statement by executive heads and/or legislative body; improving the participation of women in its activities, as well as clearly defined goals (preferably within a specific time-frame). Guaranteeing by the executive head of management's commitment to the policy, to ensure accountability and facilitate implementation;

(b) **targets/objectives for the representation of women in the P and higher categories**: broaden recruitment sources through the distribution of the ICSC vacancy announcement bulletin; and CCAQ to reactivate its earlier initiative on the exchange of roster data. With respect to project staff, ICSC invited the National Recruitment Services (NRS) at their next meeting to identify more specific means of recruiting women for project posts; other recruitment channels should also be investigated. ICSC

recommended that organizations undertake the following action:
(i) request governing bodies to place the issue of the improvement of the status of women on their agendas on a regular basis;
(ii) pool resources on recruitment missions; request another agency to follow up on an identified candidate and staff travelling on mission to interview candidates; increase cooperation among agency representatives at the field level;
(iii) use technical cooperation programmes and projects to identify suitable women candidates at the national level;
(iv) advertise in local publications, particularly in developing countries;
(v) ask heads of field offices to identify potential women candidates and to bring recruitment information to the attention of the local women's groups and organizations; integrate those functions into the pre-assignment briefing package given to senior field representatives;

(c) use **technical cooperation programmes and projects** to identify suitable women candidates at the national level; and make greater use, for both core and project posts, of Junior P Officers, Associate Experts, Associate Officers and United Nations Volunteers;

(d) where candidates had to be submitted through **national administrations**; regularly inform the latter of the importance of submitting women candidates; and devise special outreach measures;
(vi) update agency rosters on a regular basis and at least annually.

(e) **P and higher categories**: ICSC recommended that organizations:
(i) assist women, especially those in occupational groups with low career ceilings, to enhance their professional skills through training, sabbaticals and rotational assignments;
(ii) ensure that staffing tables were designed so as to provide a logical career progression;
(iii) increase women's participation in personnel advisory and administrative boards and in intergovernmental meetings and field missions;
(iv) provide specific guidelines to their appointment and promotion bodies.
(f) **work/family-related issues**: ICSC requested CCAQ to reactivate its 1987 plan to assess the requirements for child-care facilities at major duty stations and to examine the need for a general policy thereon. It recommended to organizations the following action:
(i) introduce flexible working hours (if not already in place);
(ii) offer the option of part-time work for P as well as GS staff, both on recruitment and to serving staff;
(iii) target occupational groups for pilot job-sharing schemes;
(iv) monitor trends in flexi-place (telecommuting) and considering the introduction of such arrangements.

(g) **child-care**: ICSC recommended the following action by organizations:
(i) assist, to the extent possible, in the financing of child-care facilities; and
(ii) consider granting subsidies to staff below a certain income bracket.*[A/47/30, para. 296]*

By **resolution 47/216**, the GA (a) recalled resolution 45/241 (1990), by which it invited ICSC, working together with the organizations and with the staff representatives, to examine specific and practical steps to translate into action earlier recommendations and requests relating to the status of women in the UN system; (b) expressed appreciation for the work done by the ICSC Working Group on the Status of Women in the United Nations system, as outlined in the ICSC report; (c) urged the organizations to introduce a coherent plan for improving the status of women in each organization in the course of 1993 with full respect for their basic instruments and taking into account the ICSC recommendations and in this context to give attention not only to the representation, promotion and career progression of women but also to work/family-related issues, spouse employment and the

creation of an organizational climate conducive to the equal participation of men and women in the work of the organizations; (d) requested ICSC to continue to report on a regular basis both on the extent of implementation of previous recommendations in this area and on new initiatives proposed or introduced by the organizations to enhance the status of women in the common system.

1993 **37th session (March)**: ICSC considered a report containing statistical data on the status of women *(ICSC/37/R.16)* prepared as a followup to the report of the Working Group. The data elements selected were designed to provide a basis for comparison with similar data presented to ICSC at its 22nd (July 1985) session. ICSC also had before it a brochure prepared at its request summarizing the findings of the Working Group referred to above. ICSC confirmed the usefulness of the statistical report which showed that, while some progress had been achieved since 1985 in the representation of women, more remained to be done, particularly with regard to the representation of women in geographical posts and at senior levels. ICSC also noted that, at the current rate, the representation of women at senior levels by the year 2000 would be far from satisfactory. Some further reflection was perhaps in order as to whether the earlier measures recommended by ICSC and the reporting procedures in place were sufficient to bring about change. With regard to future work, it was agreed that more data on nationality would be presented at the time of the next report. ICSC noted the statistical report and requested its secretariat to collaborate with the CCAQ secretariat in establishing, for future reports, some parameters on data collection *[A/48/30, paras. 240-242]*.

By **resolution 49/223** the GA recalled the 1988 ICSC recommendation, reaffirmed in 1992, that organizations that had not already done so should amend their staff rules to permit the employment of spouses.

1997 By its resolution 52/216, the General Assembly recalled section VI of its resolution 47/216, in which it urged the organizations of the common system to introduce a coherent plan for improving the status of women in each organization and noted the intention of the Commission to submit in 1998 a report on the representation of women, which would include ways of improving the situation. It also noted the intention of the Commission to continue to report on a regular basis both on the extent of implementation of previous recommendations in this area and on new initiatives proposed or introduced by the organizations to enhance the status of women in the common system.

1998 **47th session (April-May):** Under its standing mandate to review the status of women in the organizations of the common system, the Commission analysed detailed information, including statistical data provided by its secretariat *[ICSC/47/R.14],* with a view to assessing progress and making proposals to improve the situation*]*. Those data related to the distribution and recruitment by gender and level of staff in the organizations, by occupational field and by nationality [A/53/30, para. 275].

The Commission noted that the issue of gender balance had to be part of an organization's overall human resources strategy, and that good management of human resources required that full attention be paid to the gender dimension. The Commission noted that the secretariat was tracking the gender balance issue, including work/life initiatives, through a database established for the purpose, which would enable the sharing of information and success stories among the organizations of the common system. In considering ways to improve the situation, as called for by the General Assembly in its resolution 52/226, the Commission called attention to its previous recommendations; they had not lost their validity and practical ways to implement them needed to be pursued [A/53/30, paras. 285-289].

The Commission decided to request its secretariat to: (a) Issue a booklet containing, inter alia, recent statistical information and give it wide distribution, including making it available on the ICSC home page; (b) Continue to maintain the gender balance database and to share the information with the organizations; (c) Establish, in collaboration with interested parties, a database of recruitment sources

targeting nationals of developing countries, with particular attention to nationals from underrepresented countries and from countries with economies in transition; (d) Develop in collaboration with the organizations a set of guidelines for those with decision-making responsibilities to support accountability for ensuring gender balance [A/53/30, para. 290].

It further requested the organizations to: (a) Bring the Platform for Action adopted by the Fourth World Conference on Women at Beijing and the definition of mainstreaming and its principles, as contained in the secretariat's document, to the attention of all managers; (b) Evaluate their recruitment pools to ensure that women with the requisite qualifications were being presented, inter alia, by Member States; (c) Engage in human resources planning if they were not already doing so [A/53/30, para. 290].

The Commission decided to revert to this matter in the year 2001 [A/53/30, para. 292]. The General Assembly in its **resolution 53/209** recalled section VI of its resolution 47/216 and section III.H of its resolution 52/216, in which it urged the organizations of the common system to introduce a coherent plan for improving the status of women in each organization, and noted the continuing work of the Commission to assist the organizations in achieving gender balance, and in particular welcomed its initiative in the areas identified under paragraph 290 of its report [A/53/30]. It endorsed the requests of the Commission to the organizations, as outlined in paragraphs 283 and 291 of its report, and urged all organizations to take steps to implement them as soon as possible. The assembly noted that the Commission would revert to this matter in 2001.

2004 **58th session (March-April 2004):** Under its standing mandate to review the status of women in the organizations of the common system, the Commission requested its secretariat to present a statistical report on gender balance at all levels, including the ungraded officials of organizations. The data provided related to the distribution and recruitment of staff by gender and level in the organizations, by category of post and region of origin [ICSC/58/R.9].

The Commission expressed disappointment that the rate of women's advancement had slowed over the years and that only limited progress had been made in the organizations. It requested its secretariat to provide a report on further progress at its sixty-second session in 2006, including information on the representation of women by region as well as on organizations' gender plans and their development, implementation and effectiveness [A/59/30, Vol. I, para. 297].

By its resolution 59/268, the General Assembly, noted with concern, the observation by the Commission that with regard to the organizations of the United Nations common system, the rate of advancement of women had slowed over the years and that only limited progress had been made. It also took note of the decision of the Commission in paragraph 297 of its annual report, and requested it to provide information on the outcome of its consideration of the report on further progress in this field.

2006 **63rd session (July):** Under its mandate from the General Assembly to periodically review the representation of women in the organizations of the United Nations common system, the Commission requested its secretariat to report on the latest progress, including information on the representation of women by region as well as on organizations' gender plans and their development, implementation and effectiveness. The data provided included staffing data for the monitoring cycle from 1 January 2003 to 31 December 2004 on current composition, recruitment, promotion and separation by gender and level, distribution of staff by gender and region as well as available gender-sensitive policies and measures for recruitment, promotion, retention, work/life policies, gender awareness, including policies on harassment, and monitoring and accountability that support a work environment conducive to achieving gender balance in the organizations and information on gender targets, progress towards

reaching those targets, focal points and women's groups based on information from the organizations. [ICSC/63/R.11].

The Commission decided to: (a) Take note of information provided with regard to the representation of women in the Professional and higher categories in the organizations of the United Nations common system and express its disappointment at the insufficient progress made, in particular at the senior level, where women continued to be significantly underrepresented; (b) Urge the organizations that have not yet done so to designate a seniorlevel focal point for gender issues to provide leadership in formulating appropriate plans and strategies for achieving gender balance, including responsive workforce and succession planning to cater for retirements; (c) Urge those organizations that have not yet done so to set realistic annual gender goals for their organizations and to conduct annual reviews to assess progress towards those goals; (d) Encourage the organizations to hold managers accountable through their annual performance appraisal for achieving established gender goals; (e) Encourage organizations to focus on strategies for retaining women at mid-level Professional grades; (f) Continue to monitor future progress in achieving gender balance in the organizations of the United Nations common system every two years and request its secretariat to provide a report on this issue at its sixty-seventh session (July 2008); and (g) Request its secretariat to regroup regions and sub-regions in line with the current groups used for election purposes in the General Assembly [A/61/30, para. 112].

By its **resolution 61/239**, the General Assembly, noted he findings of the Commission contained in its 2006 report [A/61/30] with disappointment the insufficient progress made with regard to the representation of women in the organizations of the United Nations common system, and in particular their significant under-representation at senior levels.

Further, the Assembly urged the Commission to continue to make recommendations on practical steps that should be taken to improve the representation of women in the organizations of the United Nations common system.

2008 **67th session (July):** At its sixty-seventh session in July 2008, after considering a report on Review of gender balance in the United Nations common system submitted by the International Civil Service Commission (ICSC) secretariat, the Commission expressed its disappointment at the insufficient progress made, in particular at the senior level, where women continued to be significantly under-represented. As at 31 December 2006, the overall percentage of women in the Professional and higher categories stood at 38.0 per cent, and at D-1 and above levels women made up only 24.6 per cent in the common system.

The report submitted by the secretariat included staffing data on current composition, recruitment, promotion, separation and retirement by gender and level as well as data on distribution of staff members by gender and region. The scope of the review extended to international staff holding an appointment of one year or more in the Professional and higher categories in the organizations of the United Nations common system during the monitoring cycle from 1 January 2005 to 31 December 2006. In addition, the report analyzed available gender-sensitive policies and measures for recruitment, promotion, retention (work/life policies), gender awareness, including policies on harassment, and monitoring and accountability that support a work environment conducive to achieving gender balance in the organizations. The report also updated information on gender targets, progress towards reaching those targets, focal points and women's groups based on the information provided by the organizations[ICSC/67/R.11].

The Commission decided: (a) To express serious concern that the goal of 50/50 gender balance, especially at the D-1 level and above, remained unmet with negligible improvements; (b) To note with disappointment that many organizations have not implemented its previous recommendations

presented in its 2006 report (A/61/30, para. 112) and to reiterate those recommendations, which included the following: (i) Urge the organizations that have not yet done so to designate a senior level focal point for gender issues to provide leadership in formulating appropriate plans and strategies for achieving gender balance, including responsive workforce and succession planning to cater for retirements; (ii) Urge those organizations that have not yet done so to set realistic annual gender goals for their organizations and to conduct annual reviews to assess progress towards those goals; (iii) Encourage the organizations to hold managers accountable through their annual performance appraisal for achieving established gender goals; (iv) Encourage organizations to focus on strategies for retaining women at mid-level Professional grades; (c) Urge organizations to consider granting authority to selection/promotion review bodies to overrule selection decisions when a qualified man is selected over an equally qualified woman, as a special measure until such time that the 50/50 gender goal is met in the organization at all levels; (d) Take leadership in instituting systematically designed mandatory exit interviews in all organizations, and therefore, request its secretariat, in collaboration with the representatives of organizations and staff bodies, to develop a questionnaire for exit interviews to be used across the common system; (e) Request its secretariat to explore the feasibility of establishing an interagency roster of qualified women to be available to organizations of the United Nations common system; (f) Urge organizations to enforce existing gender balance policies and measures; (g) Continue to monitor future progress in achieving gender balance in the organizations of the United Nations common system every two years and request its secretariat to provide a report on this issue at its seventy-first session (July 2010), including a status report on the implementation of its recommendations presented in the present report [A/63/30, para. 109].

By its **resolution 63/251**, the General Assembly, noted with disappointment the insufficient progress made with regard to the representation of women in the organizations of the United Nations common system, and in particular their significant under-representation at senior levels. While noting the decisions of the Commission contained in its report [A/63/30], the Assembly invited the Commission to continue to monitor future progress in achieving gender balance, including the aspect of regional representation if it deems appropriate, and to make recommendations on practical steps that should be taken to improve the representation of women in the organizations of the United Nations common system.

2009 **68th session (March/April):** At its sixty-eighth session in March/April 2009, the Commission considered reports providing updates on the work on the feasibility of establishing an inter-agency roster of qualified women and on the progress towards developing a well-structured exit interview questionnaire.
The report submitted by the secretariat regarding the feasibility of an inter-agency roster of qualified women, included an update of the work on the feasibility of establishing such a roster. The report provided background information on recruitment trends for women, an analysis of available rosters in the organizations of the United Nations common system, views of organizations regarding the proposed roster, and the required key elements for a successful roster [ICSC/68/R.8].

The report submitted by the secretariat regarding the exit interview questionnaire, included an update on the progress towards developing a well-structured exit interview questionnaire. The report provided background information on separation trends of women, an analysis of the current status in the United Nations common system with regard to exit interviews as part of a broader framework of staff retention strategies in the common system and the proposed plan of action for a way forward [ICSC/68/R.7].

Regarding the feasibility of an inter-agency roster of qualified women, the Commission decided: (a) Not to recommend the establishment of an inter-agency roster of qualified women candidates to be available to organizations of the United Nations common system, as it would not achieve the required

result, but to recommend that various other strategies be explored by the organizations toward achieving gender balance; (b) To encourage the organizations to take full advantage of the window of opportunity created by the upcoming high turnover rates owing to retirements over the next five years to improve gender balance; (c) To underscore the importance of workforce planning, including talent gap analysis, skills inventories and other talent management tools, in addressing problems relating to recruitment and retention of women in the organizations of the United Nations common system; (d) To encourage the organizations to promote and implement innovative approaches to attract, develop and retain the best talent (men and women), such as outreach initiatives, targeted recruitment, timely induction training programmes, policies for work/life balance, flexible working arrangements, career coaching, mentor and counseling programmes, career development programmes, opportunities for management skills development and leadership development programmes; (e) To highlight the need for increased investment in staff development and training for developing a competent pool of internal candidates under a comprehensive retention policy; (f) To reiterate its decision presented in the 2008 annual report [A/64/30, para. 88].

Regarding the exit interview questionnaire, the Commission decided to: (a) Request its secretariat to work closely with the CEB secretariat and staff representatives to finalize and pilot a standard exit interview questionnaire for use across the United Nations common system, and to identify the mechanism for central data reporting; (b) Request the ICSC secretariat to report on the issue at its seventy-first session [ICSC/68/R.10, para. 60].

By its resolution 64/231, the General Assembly noted the decisions of the Commission contained in paragraph 88 of its report, and welcomed the decision of the Commission [A/64/30 and Corr.2, para. 88] to encourage the organizations of the common system to promote and implement innovative approaches, such as outreach initiatives, to attract, develop and retain the most talented men and women, while at the same time reiterating its disappointment with the insufficient progress made with regard to the representation of women in the organizations of the United Nations common system, and in particular their significant under representation at senior levels. The General Assembly invited the Commission to continue to monitor future progress in achieving gender balance, including the aspect of regional representation if it deems it appropriate, and to make recommendations on practical steps that should be taken to improve the representation of women in the organizations of the common system; and encourages the Commission to consider further issues relating to the retention of female staff. It also requested the Commission to review measures taken by organizations participating in the common system concerning the implementation of paragraph 3 of Article 101 of the Charter of the United Nations and to report its findings, as appropriate.

2010 **71st session (July/August):** At its seventy-first session in July/August 2010, in accordance with the commission's requests, the report provided an update on the status of women, including a status report on the implementation of the Commission's recommendations and information on the representation of women by type of post (those subject to geographical distribution and those not subject to geographical distribution) and by region, as well as on gender improvement plans and polices in the organizations of the United Nations common system.

The report submitted by the secretariat included statistical data on the composition, recruitment, promotion and separation, by gender and grade, of staff in the organizations of the system and the distribution of staff by gender, type of post and region. The report further analyzed available gender-sensitive policies and measures for recruitment, promotion, retention (work-life policies), gender awareness (including policies on harassment) and monitoring and accountability that have been put in place to support a work environment conducive to achieving gender balance in the organizations. The report also updated the information on targets, focal points and women's groups contained in the

previous report (ICSC/67/R.11), on the basis of information provided by the organizations [ICSC/71/R.12].

The Commission decided: (a) To express concern that the goal of 50/50 gender balance, especially at the D-1 level and above, remained unmet without any noticeable progress; (b) To note with disappointment that the organizations had not implemented all its previous recommendations; (c) To recall the recommendations outlined in its previous reports (A/61/30, A/63/30 and A/64/30 and Corr.2); (d) To urge organizations to enforce existing gender balance policies and measures, including the Commission's previous recommendations, and to conduct regular monitoring on the level of implementation; (e) To urge organizations to incorporate such diversity policies as geographical balance into gender strategies and policies; (f) To request organizations to hold managers accountable through their annual performance appraisal for achieving established annual gender targets; (g) To request its secretariat to coordinate monitoring and reporting on gender balance with other entities in the United Nations common system and explore the feasibility of establishing a common data depository for future data collection; (h) Henceforth, to monitor future progress in achieving gender balance in the organizations of the United Nations common system every four years, and to request the secretariat of the Commission to provide a report on the issue at its 79th session, in 2014 [A/65/30, para. 155].

2014 79th session (March): In July 2010, as part of the United Nations reform agenda to bring together diverse resources and mandates for greater impact, the General Assembly created UN-Women, a historic step by Member States towards achieving the Organization's goals on gender equality and the empowerment of women.

In accordance with its requests at the seventy-first session, the Commission considered a report which provided: information on its collaborative efforts with UN-Women on gender balance; a summarized update on the status of women in the United Nations system as at 31 December 2011; and an overview of staffing profiles by region of origin as at 31 December 2012. The scope of the review extended to international staff holding an appointment of one year or more in the Professional and higher categories. In addition, the report presented a summary of the status of implementation of the Commission's recommendations and an analysis on available gender-sensitive policies and measures for recruitment, promotion, retention policies, work-life policies, gender awareness (including policies on harassment) and monitoring and accountability that had been put in place as at 1 July 2013 to support a work environment conducive to achieving gender balance in the organizations.

The report found that the overall representation of women in the Professional and higher categories in the United Nations system increased marginally from 39.9 per cent in 2009 to 40.7 per cent in 2011, an increase of 0.8 per cent. The highest increase was at the P-1 level (5.4 per cent), and the smallest at the P-5 level (0.8 per cent). At the D-1 level and above, women represented 29.5 per cent in 2011 compared with 28.4 per cent in 2009, constituting a 1.1 per cent increase. [A/69/30]

The Commission decided:
(a) To take note of the progress made with regard to the status of women in the Professional and higher categories in organizations of the United Nations common system, while expressing its concern that the goal of 50/50 gender balance remained unmet, especially at the D-1 level and above;
(b) To urge organizations to fully implement existing gender balance policies and measures, including the Commission's previous recommendations outlined in documents A/63/30 and A/64/30 and Corr.2;
(c) To underscore the importance of integrating gender balance and geographical distribution into its ongoing review of the United Nations common system compensation package;
(d) To request its secretariat to coordinate with UN-Women in the preparation of its reports on this item; and to align the monitoring cycle with the reporting cycle of UN-Women in order to obtain the

most recent data and information on gender balance in the organizations of the United Nations system;
(e) To monitor future progress in achieving gender balance in the organizations, together with geographical distribution, as a part of a comprehensive report on diversity in the United Nations common system;
(f) To request its secretariat to provide a report, based on the latest information, and thereafter monitor future progress in achieving gender balance in the organizations of the United Nations common system every four years. [A/69/30, para. 137]

The General Assembly, in resolution 69/251, noted with disappointment the insufficient progress made with regard to achieving the goal of 50/50 gender balance in the United Nations common system, especially in the Professional and higher categories. Additionally, the Assembly requested the Commission to encourage the organizations of the common system to fully implement existing gender balance policies and measures, and encouraged the Commission to continue to monitor progress in achieving gender balance and to report thereon in compliance with its decision contained in para. 137 of the report of the Commission. [A/RES/69/251]

2015 The General Assembly, in resolution 70/244, considered the Commission's recommendations in the context of the comprehensive review and other issues, recalled its requests in resolution 69/251, and requested the Commission to provide information to the Assembly at its seventy-first session on the progress made by organizations of the common system in the implementation of existing gender policies and measures towards achieving the goal of 50/50 gender balance in the common system. The Assembly also requested the Commission to provide information in future annual reports on how the new compensation package contributes to the strengthening of gender balance and geographical diversity. (A/RES/70/244).

2016 83rd session (July-August): In accordance with the request of General Assembly laid out in resolution 70/244, the Commission considered a report providing information on gender-sensitive policies and measures that had been put in place to support a work environment conducive to achieving gender balance in the organizations of the common system. In the report, it was noted that efforts had to be made to overcome the informal organizational cultures that constrained the advancement of female staff in the organizations of the common system. It was suggested that a system-wide staff survey would be an opportunity to identify informal barriers. The results of such a survey could also provide guidelines to organizations in validating their current policies and measures and in formulating new policies to facilitate an inclusive workplace. In addition, it could provide information on the level of utilization and awareness of available policies and measures so that necessary adjustments and amendments could be made by organizations for their effective implementation. UN-Women would be central to conceptualizing and executing a staff survey on organizational culture towards creating an inclusive workplace. [A/71/30]

The Commission decided to:
(a) Take note of the information provided in the present report made with regard to available gender policies and measures towards achieving the goal of 50/50 gender balance in the Professional and higher categories in organizations of the United Nations common system;
(b) Urge organizations to continue implementing existing gender balance policies and measures, including the previous recommendations of the Commission outlined in its previous annual reports (A/61/30, A/63/30, A/64/30, A/65/30 and A/69/30), as approved by the General Assembly;
(c) Request its secretariat to continue reviewing holistically all issues relating to inclusiveness and diversity, such as gender parity, geographical distribution, multiculturalism, generational diversity and multilingualism;
(d) Request its secretariat to provide a report on inclusiveness and diversity at its eighty-fifth session in

conjunction with the upcoming report on monitoring the progress in achieving gender and geographical balance in the organizations as part of a comprehensive report on diversity in the United Nations common system. [A/71/30, para. 141]

The General Assembly, in resolution 71/264, recalled paragraphs 54 and 55 of resolution 70/244 and the decision of the Commission contained in paragraph 160 of its 2016 report, and in this regard requested the Commission to continue to provide information to the General Assembly, at its seventy-second session, on the progress made by organizations of the United Nations common system in the implementation of existing gender policies and measures towards achieving the goal of 50/50 gender balance and strengthening geographical diversity within the common system. [A/RES/71/264]

2017 85th session (July): The Commission considered a report focused on gender parity and other aspects of diversity. It contained information on the overall representation of women in the United Nations system by level, location, and region, and included recent developments towards achieving 50/50 gender balance in the United Nations system. The information presented was collected from UN-Women, a 2017 ICSC survey to which 23 organizations responded, and a questionnaire conducted in 2016. The report also provided information on diversity policies in eight public and private sector entities and noted studies that linked diversity and inclusiveness in the workplace to improved representation, morale, reputation, productivity and innovation. Therefore, the report concluded that the Commission's decision to expand the definition of diversity and to consider all elements in a holistic manner was in keeping with best external practices. [A/72/30]

During discussions regarding the report on gender diversity, commissioners recalled the work undertaken on the new Human Resources Management Framework introduced in January 2017, and expressed the need to reinforce the diversity elements in the Framework. Commissioners noted that since the Framework was designed as a living document, changes reflecting any new developments could easily be made in real time. [A/72/30, para. 158]

The Commission decided to urge organizations to:
(a) Establish measurable outcomes with regard to the employment, advancement, retention and participation of diverse groups;
(b) Increase their efforts and invest time and resources to deal with all aspects of diversity, including training for managers and staff;
(c) Establish an overall strategy on diversity that included concrete action plans, specific targets and timelines towards achieving gender balance and equitable geographical representation if they had not yet taken the initiative to do so;
(d) Continue to review all aspects of diversity periodically. [A/72/30, para. 159]

The General Assembly, in resolution 72/255, requested the Commission to continue to provide information to the General Assembly on the progress made by organizations of the United Nations common system in the implementation of existing gender policies and measures towards achieving the goal of 50/50 gender balance and strengthening geographical diversity within the common system, including at senior levels. [A/RES/72/255]

2018 86th session (March): In accordance with the desire expressed by the Commission at the eighty-fifth session to reinforce diversity elements in the Human Resources Management Framework, the Commission considered the proposed addition of a workforce diversity component to the Framework. The Commission expressed its full support for all aspects of diversity, while noting that the paramount consideration in the employment of staff was the necessity of securing the highest standards of efficiency, competence and integrity. In that regard, the Commission agreed that the broad principles should emphasize that concept. The Commission also requested that the outcomes and indicators be

further clarified and strengthened. [A/73/30]

87th session (July): In response to its request at the eighty-sixth session to amend the outcomes and indicators of the proposed diversity component to the Human Resources Management Framework, the secretariat presented a revised text at the Commission's eighty-seventh session. [A/73/30]

The Commission decided to approve the inclusion of the workforce diversity component in the human resources management framework. [A/73/30, para. 76]

The General Assembly, in resolution 73/273, welcomed the work undertaken by the Commission regarding the updated human resources management framework and the decision of the Commission to approve the inclusion of the workforce diversity component in the human resources management framework. Additionally, the Assembly requested the Commission to continue to provide information to the General Assembly on the progress made by organizations of the United Nations common system in the implementation of existing gender policies and measures towards achieving the goal of 50/50 gender balance and strengthening geographical distribution, bearing in mind Article 101, paragraph 3, of the Charter of the United Nations, within the common system, including at senior levels. The Assembly also encouraged the organizations of the United Nations common system to regularly measure and monitor key workforce diversity metrics, such as geographical distribution and gender parity, and to report thereon to their governing bodies. [A/RES/73/273]

2021 92nd session (August): Pursuant to General Assembly resolutions 72/255 and 73/273, the Commission considered a report prepared by its secretariat containing a summary of the current status of women in the United Nations system, and information on the implementation of the Commission's recommendations. The report also included an analysis of available gender-sensitive policies and measures concerning recruitment. Furthermore, the report provided information on recent developments towards achieving gender parity in the United Nations system, as well as details of system-wide collaboration on efforts to achieve gender parity, including in the ICSC secretariat.

The report found that as at 31 December 2017, the representation of women in the United Nations system in the Professional and higher categories stood at 44.2 per cent, up from 42.8 per cent as at 31 December 2015 and 38 per cent as at 31 December 2007. Despite gains in female representation, particularly in career advancement at the P-1 to P-4 levels, the report noted that progress towards gender parity lagged behind in non-headquarters locations and in technical agencies. Additionally, the report noted that a wide range of work-life policies had been implemented by the organizations of the common system to help balance staff members' professional and private lives , in particular women and that all but five organizations had implemented a gender strategy. [A/76/30]

The Commission decided to:
(a) Take note of the information provided in the present report with regard to available gender policies and measures towards achieving gender parity in the Professional and higher categories in organizations of the United Nations common system;
(b) Strongly urge organizations to continue to implement existing gender balance policies and measures, including the recommendations of the Commission outlined in its previous annual reports, as approved by the General Assembly, while ensuring the highest standards of efficiency, competence and integrity of candidates in accordance with Article 101 of the Charter, and urge the organizations that did not have targets to ensure gender balance to establish clear indicators to track progress in that regard;
(c) Request its secretariat to continue to monitor the progress made in achieving gender parity as part of a comprehensive report on diversity in the United Nations common system and provide an update in the next regular report. [A/76/30, para. 188]

SECTION 9.30
EQUITABLE GEOGRAPHICAL DISTRIBUTION

1987 **25th session (March)**: ICSC considered the question of equitable geographical distribution in the context of recruitment policy at its 23rd (March 1986) and 25th sessions. It had before it data on unrepresented, underrepresented and overrepresented countries, particularly as they applied to the five largest organizations of the common system: the UN, ILO, FAO, UNESCO and WHO, and provided the basis for its recommendations on improving recruitment sources from unrepresented and underrepresented countries *[A/42/30, para. 278]*. ICSC concluded that: (a) the criteria used to define equitable geographical distribution could be established by the larger organizations of the common system, but for the smaller organizations such distribution should be set in accordance with their individual programmes and mandates; (b) the majority of unrepresented countries tended to fall into several main categories: new States; small island States; oil-producing States, mainly in the Middle East, but also elsewhere; and countries defined as least developed *[A/42/30, para. 286]*. ICSC recommended that the organizations should engage in closer cooperation to develop a concerted prospection programme for unrepresented countries that would consist of the following steps: (a) the launching of a publicity campaign to present current common system employment opportunities and stress at the same time the ongoing nature of the recruitment programme to potential candidates; (b) bearing in mind the recruitment constraints faced by several of the organizations, to the extent possible, the organizing of inter-agency recruitment missions to unrepresented countries or regions to survey the recruitment potential of a given country and to identify candidates, particularly young people who could be further prepared for international service. The missions would be based on vacancies projected for the medium term and composed of recruitment specialists; (c) the creation of internships and fellowships that would provide on-the-job training and experience for promising, but not yet fully qualified, young candidates; (d) encouraging organizations that did not already have such schemes to establish Junior Professional Officer, associate expert and youth programmes for young professionals; (e) arrangements for the recruitment of Professional staff on a secondment basis for countries that could not spare their trained cadres to international organizations for more than a few years at a time *[A/42/30, para. 287]*. ICSC also recommended that organizations that had not already done so should consider giving priority in their recruitment efforts to unrepresented and underrepresented countries along the lines established by the UN and WHO *[A/42/30, para. 288]*.

In **resolution 42/221**, the GA took note of the report by ICSC on equitable geographical contribution in different organizations of the UN system.

2005 60th session (February/March): In the context of the Commission's reviews on the question of contractual arrangements (see section 9.90), the idea of reflecting the requirement for equitable geographical distribution was discussed in connection with procedures for extension or for acquiring another contract type. In that connection, the Commission noted that the principle of geographical distribution was not applied in all organizations (for example in those funded from voluntary contributions) or even to all posts in others. As each organization applied the principle in the form of recruitment criteria and in accordance with its programme requirements, it would not be appropriate to include this matter in the current document which dealt with contractual issues subsequent to recruitment. Therefore, as equitable geographical distribution was a guiding principle for an international civil service, it would be sufficient to include it in a preamble instead of within the framework. [A/60/30]

2008 67th session (July): The Commission considered a report containing staffing data on current composition, recruitment, promotion, separation and retirement by gender and level as well as data on distribution of staff members by gender and region. During discussions of the report, Commissioners expressed their concern over the existing imbalance in the representation of women among regions. Women from Western Europe and North America constituted more than half of the population of

Professional women (55.5 per cent), while the number of Professional women from Africa, Asia, Eastern Europe, Latin America and Caribbean combined represented only 44.4 percent overall. [A/63/30]

For the decision of the General Assembly, please refer to Section 9.20 for the years 2008 and 2009.

2010 71st session (July/August): The Commission considered a report containing staffing data on current composition, recruitment, promotion, separation and retirement by gender, grade and type of post, as well as the distribution of staff members by gender and region of origin. The report found that, since 1996, there was a gradual and consistent increase of women among the posts subject to geographical distribution compared to the posts not subject to geographical distribution. According to the analysis of the regional representation of women in the organizations of the United Nations common system, women from Western Europe (including North America) constituted more than a half of the population of professional women (55.8 per cent) while the proportion of professional women from Africa, Asia, Eastern Europe and Latin America and the Caribbean combined represented only 44.2 percent overall. In response to these findings, the Commission was of the view that the figures highlighted the need to incorporate such diversity elements as geographical balance into the recruitment process, and also the need for more detailed analysis of the recruitment and separation patterns of women by region of origin. [A/65/30]

With regard to geographical distribution in the context of achieving gender parity, the Commission decided to urge organizations to incorporate such diversity policies as geographical balance into gender strategies and policies. [A/65/30, para. 155] (see also section 9.20)

2011 73rd session (July): In its resolution 64/231, the General Assembly requested the Commission to review the measures taken by organizations of the common system concerning the implementation of paragraph 3 of Article 101 of the Charter of the United Nations. In accordance with the General Assembly's request, the Commission considered a report on geographical balance in the six organizations with established desirable ranges for the purpose of geographical balance: the United Nations Secretariat, ILO, FAO, UNESCO, WHO and UNIDO. This was the first time the Commission had specifically examined the issue of equitable geographical distribution since 1987.

The report found that in at least three organizations, 50 countries were unrepresented, 10 were underrepresented and 28 were overrepresented. 19 countries were unrepresented in at least four organizations, and 9 countries were from the Asia-Pacific region. The report noted that efforts were being made by organizations to bring about equitable geographical balance, including ensuring that staff selection decisions took into consideration the nationality and gender of recommended candidates and that specific outreach programmes were in place to increase the number of applicants from unrepresented and underrepresented Member States. [A/66/30]

The Commission decided:
(a) To inform the General Assembly of the status of geographical distribution in the organizations of the common system and actions being taken by organizations and their governing bodies to achieve geographical balance;
(b) To study recruitment policies with a view to recommending to organizations measures that would be more favourable to diversity;
(c) To revert to discussing diversity broadly at a later date. [A/66/30, para. 145]

The General Assembly, in resolution 66/235, noted the status of geographical distribution in the organizations of the United Nations common system and actions being taken by the organizations to achieve equitable geographical balance; endorsed the decision of the Commission to conduct studies

on recruitment policies and to revert to discussing the issue with recommended measures that would be more favourable to diversity; and requested the Commission, when preparing proposals on measures for diversity in the United Nations common system, to bear in mind that the paramount consideration in the employment of staff is professional qualifications, which are key to the capacities of the organizations to deliver on their mandates. [A/RES/66/235]

2014 78th session (March): The Commission considered a report that provided, inter alia, an overview of staffing profiles by region of origin as at 31 December 2012 in the context of its considerations on gender balance in the common system. The report found that women from Western Europe and North America constituted more than a half of the population of Professional women (55.1 per cent) while the proportion of Professional women from Africa, Asia, Eastern Europe, Latin America and Caribbean and others combined represented only 44.9 percent overall. During discussions on the report, the Commission expressed that these figures indicated the need for greater integration of diversity elements into recruitment, and requested more detailed analysis of the situation by grade level and the region of origin of staff members in future reports. [A/69/30]

With regard to geographical distribution in the context of achieving gender parity, the Commission, inter alia, decided:
(a) To underscore the importance of integrating gender balance and geographical distribution into its ongoing review of the United Nations common system compensation package;
(b) To monitor future progress in achieving gender balance in the organizations, together with geographical distribution, as a part of a comprehensive report on diversity in the United Nations common system. [A/69/30, para. 137]

Also at its seventy-eighth session, in the context of its study of recruitment policies in the context of diversity in the common system, the Commission considered measures that organizations of the common system had taken to successfully attract and recruit staff to enable them to secure as diverse a workforce as possible, while at the same time ensuring that the best qualified person was appointed to each position. The Commission was informed of recruitment procedures, outreach programmes and organizational structures that had been put in place to create awareness of vacancies and to stimulate the interest of a broad cross-section of qualified persons especially from underrepresented and unrepresented Member States. It further reviewed diversity policies within organizations, as well as barriers to diversity in organizations. Barriers to achieving diverse workplaces were reported as: (a) The lack of family-friendly facilities in some field duty stations; (b) The limited availability of candidates for some highly specialized positions; (c) Too few qualified female applicants for positions in some occupational fields. [A/69/30]

The Commission decided, inter alia, to review diversity periodically, including geographical representation and gender balance. [A/69/30, para. 149]

The General Assembly, in resolution 69/251, welcomed the decisions of the Commission on diversity in the common system, and requested the Commission to continue to recommend measures that would be more favourable to diversity. The Assembly also encouraged the Commission to continue its periodic reviews and reports on all diversity-related issues in the common system. [A/RES/69/251]

2015 In the context of the review of the common system common system compensation package, the General Assembly, in resolution 70/244, requested the Commission to provide information to the General Assembly in future annual reports on how the new compensation package contributes to the strengthening of gender balance and geographical diversity. [A/RES/70/244]

2016 83rd session (July/August): The Commission considered a report containing information on gender parity and other aspects of diversity, including geographical balance.

With regard to geographical distribution in the context of achieving gender parity, the Commission, inter alia, decided to:
(b) Urge organizations to continue implementing existing gender balance policies and measures, including the previous recommendations of the Commission outlined in its previous annual reports (A/61/30, A/63/30, A/64/30, A/65/30 and A/69/30), as approved by the General Assembly;
(c) Request its secretariat to continue reviewing holistically all issues relating to inclusiveness and diversity, such as gender parity, geographical distribution, multiculturalism, generational diversity and multilingualism;
(d) Request its secretariat to provide a report on inclusiveness and diversity at its eighty-fifth session in conjunction with the upcoming report on monitoring the progress in achieving gender and geographical balance in the organizations as part of a comprehensive report on diversity in the United Nations common system. [A/71/30, para. 160]

The General Assembly, in resolution 71/264, recalled its resolution 70/244 and the decision of the Commission, and in this regard requested the Commission to continue to provide information to the General Assembly, at its seventy-second session, on the progress made by organizations of the United Nations common system in the implementation of existing gender policies and measures towards achieving the goal of 50/50 gender balance and strengthening geographical diversity within the common system. [A/RES/71/264]

2017 85th session (July): The Commission considered a report containing information on gender parity and other aspects of diversity. With regard to geographical diversity, the report found that the governing bodies of organizations with established desirable ranges had been taking an increasing interest in the progress being made in terms of geographical balance. It was also reported that efforts had been expended to improve geographical distribution and diversity as a whole and a number of organizations continued to implement measures such as targeted outreach campaigns for non- or underrepresented countries.

During discussions on the report, some members felt that there should be more attention given to geographical representation and asked for more quantitative data, such as the degree of representation that indicated when a country was under- or overrepresented, in future studies. These members also expressed that more attention by organizations on the recruitment of persons from underrepresented countries was needed, in conformity with the Charter. [A/72/30]

The Commission decided to urge organizations to:
(a) Establish measurable outcomes with regard to the employment, advancement, retention and participation of diverse groups;
(b) Increase their efforts and invest time and resources to deal with all aspects of diversity, including training for managers and staff;
(c) Establish an overall strategy on diversity that included concrete action plans, specific targets and timelines towards achieving gender balance and equitable geographical representation if they had not yet taken the initiative to do so;
(d) Continue to review all aspects of diversity periodically. [A/72/30, para. 159]

The General Assembly, in resolution 72/255, requested the Commission to continue to provide information to the General Assembly on the progress made by organizations of the United Nations common system in the implementation of existing gender policies and measures towards achieving the

goal of 50/50 gender balance and strengthening geographical diversity within the common system, including at senior levels. [A/RES/72/255]

2018 86th session (March): The Commission considered a note by its secretariat on the addition of a workforce diversity component to the human resources management framework. The Commission expressed its full support for all aspects of diversity, while noting that the paramount consideration in the employment of staff was the necessity of securing the highest standards of efficiency, competence and integrity. In that regard, the Commission agreed that the broad principles should emphasize that concept. The Commission also requested that the outcomes and indicators be further clarified and strengthened. Accordingly, at its eighty-seventh session, the diversity component was revised, taking into consideration the comments and suggestions expressed during the eighty-sixth session. Accordingly, the outcomes laid out in the revised framework emphasized the importance of equitable geographical distribution. [A/73/30]

The Commission decided to approve the inclusion of the workforce diversity component in the human resources management framework. [A/73/30, para. 73]

The General Assembly, in resolution 73/273, welcomed the work undertaken by the Commission regarding the updated human resources management framework and the decision of the Commission to approve the inclusion of the workforce diversity component in the human resources management framework. The Assembly also encouraged the organizations of the United Nations common system to regularly measure and monitor key workforce diversity metrics, such as geographical distribution and gender parity, and to report thereon to their governing bodies. [A/RES/73/273]

2021 92nd session (August): The Commission considered a report prepared by its secretariat on the progress made by organizations of the United Nations common system in strengthening geographical diversity. The report found that in at least three of the six organizations with desirable ranges (United Nations Secretariat, ILO, FAO, UNESCO, WHO and UNIDO), 39 countries were unrepresented in 2019, compared to 37 in 2017. In contrast, the number of countries that were underrepresented dropped from 16 to 14 in the same period, while the number of overrepresented countries increased from 25 to 30. The report also found that the largest number of unrepresented (17) and underrepresented (8) countries were in the Asia and the Pacific region. Of the 30 countries that were overrepresented in the six organizations, 10 African countries and 11 European countries were overrepresented in at least three organizations. According to the report, among the 19 responding organizations that had no formal guidelines for geographical distribution, 64 countries were unrepresented in at least 10 organizations. Among them, 25 countries were from the Asia and the Pacific region and another 15 from the Africa region.

Some organizations reported constraints on achieving geographical diversity, such as the low number of suitable applicants from unrepresented and underrepresented countries, overcoming racial bias in hiring, a diminishing workforce due to downsizing, fewer applications from women in developing countries and language requirements for posts. In addition, some organizations, mainly those in need of highly specialized technical experts, were particularly concerned about the limited number of qualified applicants from unrepresented and underrepresented countries. The report suggested measures to improve geographical diversity, namely establishing specific relevant policies, concerted internal direction and monitoring, targeted and more effective outreach and leveraging professional and other networks, internal guidance and specific consideration of geographical diversity in recruitment decisions. [A/76/30]

The Commission urged:
(a) The organizations to increase the number of posts available for equitable geographical distribution in those organizations that had targets or desirable ranges;

(b) The organizations that did not have targets to ensure equitable geographical representation, in order to establish clear indicators to track progress in that regard;
(c) The organizations to publish more detailed and publicly available information on diversity such as gender, age and geography.
(d) Its secretariat to keep track of trends in the organizations regarding geographical distribution and report to the Commission in the context of its next report on diversity. [A/76/30, para. 165]

The General Assembly, in resolution 76/240, noted the lack of formal guidelines for geographical distribution in 19 member organizations and the high average age of staff members in the United Nations common system, and encouraged the Commission to identify good practice and provide advice to common system organizations on ways to promote geographical diversity and rejuvenation, including by measures proposed in its report, such as programmes to support internship candidates from developing countries. The Assembly also noted the Commission’s request to establish clear indicators to track progress in this regard. [A/RES/76/240]

SECTION 9.40
COMPETITIVE EXAMINATIONS AND ALTERNATIVE SELECTION PROCEDURES

1984 **20th session (July)**: ICSC considered a document submitted by the UN Secretariat on competitive examinations *(ICSC/20/R.20)* and stressed in that context that it considered competitive examinations to provide a valuable method of objective selection, which deserved a thorough review. ICSC noted that the document did not assess the effectiveness of this selection method. It decided, therefore, to request the UN to submit a full evaluation of its experience with competitive examinations for both selection and promotion at the 21st session, and to address, in particular, the following issues: (a) How were the examinations validated; that was, how it could be shown that they specifically screened for those qualities and qualifications that were most likely to predict success in the posts for which they were intended to screen? How were the examinations developed? What kind of job analysis lie at the base? How were the examiners selected? (b) What were the costs of organizing these examinations? What were the implications in terms of consultancy fees, travel costs and staff time? *[A/39/30, para. 219]*.

With regard to the competitive examination for promotion to the P category, ICSC requested the UN to provide in its report specific replies to the following questions: (a) What weight, if any, was given to such elements as general culture, professional experience, knowledge of the UN, personality and ability to work as a member of a team? (b) What weight, furthermore, was given to administrative and organizational skills, especially in the selection for vacancies where such skills were identified as an important job requirement? (c) How were the competitive examinations integrated into other elements of career development? What training opportunities existed? To what extent could accrued experience and seniority help staff to advance? (d) To what extent were managers satisfied with the qualities of the candidates placed through this process? Had any evaluation taken place comparing the performance of the staff promoted through this process with that of the staff recruited from outside at the P-1 and P-2 levels? (e) How was the issue of "working languages" addressed, taking into account that these differred according to duty station? (f) How were the vacancies that became available under the 30 per cent distribution plan allocated over the various occupations? Were 30 per cent of the vacancies in every occupation made available, or was emphasis placed on designating posts in those occupations that had traditionally provided the most ample opportunities for advancement and which were mainly in the area of general services, administration and finance? *[A/39/30, para. 220]*.

In **resolution 39/69**, the GA requested ICSC to report to the Assembly at its 40th session on the use of competitive examinations for both selection and promotion.

1985 **21st session (March)**: ICSC considered a document prepared by the UN in response to the above questions *(ICSC/21/R.21)*. It also had before it a document by CCISUA which identified a number of problems requiring further development. ICSC noted the UN document with appreciation. The questions raised by ICSC at the 20th session had been fully answered and ICSC was satisfied that the UN experience had demonstrated that competitive examinations provided an objective and reliable method of selection to positions at the P-1 and P-2 levels. ICSC also considered that the internal (GS to P) examinations would be further strengthened. ICSC noted the reluctance of organizations other than the UN to consider competitive examinations as a recruitment tool, and requested them to provide, at the 22nd session, a full rationale for the CCAQ position *[ICSC/21/R.24, paras. 221 and 224]*.

22nd session (July): In response to the above request, ICSC had before it a document prepared by CCAQ. 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.

The UN representative confirmed that competitive examinations had been most useful in delivering a more equitable geographical distribution; moreover such exams, used in a national or regional context, had been shown to be free from cultural bias *[ICSC/22/R.23, paras. 121 and 122]*. ICSC considered that the positive experience of the UN with competitive examinations deserved more attention and that extension of such a recruitment method to other organizations of the common system should certainly be considered.

ICSC 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, ICSC also agreed to recommend that organizations consider the use of competitive examinations as much as possible, and especially for promotion from the GS to the P category *[A/40/30, para. 263]*.

SECTION 9.50
CAREER DEVELOPMENT AND PROMOTION POLICY

1977 **5th session (February/March)**: ICSC had before it a preliminary report on a study being prepared for it by UNITAR. That report recalled that when the organizations of the UN system were set up, it was expected that the secretariats would be primarily a career service, on the pattern of the pre-war League of Nations and ILO. However, a genuine career system had in practice never existed in the organizations of the UN family, it being accepted that high-level positions would for the most part be filled by non-career officials, with some posts being always reserved for staff serving on a short-term basis. In recent years various factors had reinforced that trend, such as the increasingly specialized and technical nature of the activities of many of the organizations, the admission of a large number of new Member States which sought representation in the secretariats and the unwillingness of some Member States to allow their nationals to serve on a permanent basis. A decreasing proportion of staff was serving on permanent appointments; and the concept of true career development was further limited, for example, by the tendency for entry into the secretariats to be made increasingly at the middle, rather than the lower levels, and for outside appointments to be made not only at the highest levels but increasingly at the next-lower levels *[A/32/30, para. 227]*.

1978 **8th session (July)**: ICSC considered jointly the questions of recruitment and career development, using as a basis for its discussion the background documentation that had been prepared for earlier sessions and a summary of decisions adopted and directives given by organizations' legislative bodies in connection with recruitment policies. ICSC reaffirmed the importance of its role in questions such as career development and recruitment, which it saw as fundamental to the fulfillment of the principles embodied in the Charter and other founding documents. It recognized that these were two complex areas having many interrelated aspects and a significant bearing on other areas of personnel policy. ICSC noted that it was not by accident that article 13 preceded article 14 in its statute. In order to improve recruitment and career development, the nature, types, levels and duration of jobs existing within the organizations had first to be determined. Once this was done, career development possibilities could be identified. Recruitment needs could then be determined, keeping in mind the requirements of geographical distribution and the proper proportion of women and young people among the staff. The areas of job classification, career development and recruitment were therefore cornerstones of sound personnel management and consequently vital to the organizations' ability to meet their responsibilities toward Member States. ICSC observed that it had already entered into this sensitive area through the extensive collection of information on organizational practices and the useful discussions and consultations it had undertaken and noted that the complexity of the issues involved and the history of past practices would make progress in these areas difficult *[A/33/30, paras. 323, 327 and 328]*.

The GA, in **resolution 33/119**, expressed the hope that, notwithstanding the pressure of urgent problems concerning remuneration, ICSC would be able to assume progressively its functions under articles 13 and 14 of its statute and make progress in 1979 in its consideration of those aspects of personnel policy other than remuneration, in particular career development and those other aspects which had occupied the GA's attention at its 33rd session.

1979 **9th session (February/March)**: ICSC observed that it was clear from its statute that it was required to take decisions and make recommendations on articles 13 and 14. A unified international civil service could only be achieved through common conditions of service for the staff as regards both salary matters and non-salary matters such as career development, recruitment, etc. The request in GA resolution 33/119 that ICSC should advance its work in this area made such action all the more urgent.

ICSC defined the **benefits derived for the individual** from career development as follows: (a) it helped the staff member to discover his/her own talents, needs and motives related to work (through

performance appraisal, career counselling and planned work assignments and training); (b) it helped fulfil the individual's need to know what his/her position and future in the organization would be (by providing realistic information and feedback related to career expectations); (c) it provided a sense of affiliation with the organization and a feeling that the organization was interested in the staff member's development; (d) it provided greater opportunity for the individual to obtain optimal return for his/her personal investment (contribution of talents, time, energy, etc.) in the organization; (e) it provided the individual with a greater awareness of his/her work environment and both hence promoted more intelligent decision-making with respect to careers and avoided frustration caused by lack of career information; (f) it helped fulfil the individual's need to retain a sense of control over his/her personal destiny in the increasingly complex and impersonalized modern industrial society; (g) it provided greater opportunities for changes in the working environment that would otherwise lead to boredom; (h) it was conducive to job satisfaction by providing assignments most suited to the individual's needs and talents; (i) it led to optimal personal development by developing abilities and aptitudes to the full *[A/34/33, para. 213]*.

ICSC also defined **benefits derived by the organization** from career development as follows: (a) helped increase productivity in jobs and, in turn, effectiveness in meeting the organization's objectives (through greater creativity, motivation, and contribution of staff); (b) it helped reduce turnover of high potential staff and absenteeism of all staff; (c) it facilitated staff mobility both between organizations and within organizations between different duty stations by planning assignments well enough in advance to avoid some of the obstacles which arose when staff were required to move at short notice; (d) it helped provide greater assurance of an adequate supply of qualified personnel for future openings in managerial, technical and other key positions; (e) it promoted continuity of organizational knowledge by drawing more upon internal personnel resources; (f) it helped reduce pressure on job classification and other personnel systems resulting from frustrated careers; (g) it provided an added input in programme planning by offering more data on the capabilities of the work force which in turn permitted a better judgement to be made of whether or in what manner proposed programme objectives could be accomplished; (h) it prevented organizational chaos by helping to provide a more regulated, ordered and objective procedure for upward mobility of staff members; (i) it promoted optimal utilization of human resources both at present, by preventing instances of mismatched staff members (those having suitable qualifications for jobs other than those in which they are presently placed) and in the future by permitting longer-term planning of the development of staff member's usefulness to the organization; (j) it contributed significantly to the reduction of costs *[A/34/33, para. 214]*.

ICSC deduced the following principles from the foregoing analyses: First, career development must be seen as a process mutually beneficial to the organization and to the individual staff member. Second, career development must not be restricted to the development of managers - all workers should be permitted to develop as far as feasible their careers. Third, because responsibility must be shared between the staff member and the organization, career plans should neither be too individualistic nor too paternalistic in their design. Fourth, careers need not always be in a state of flux. If the individual and organizational objectives of career development had been fulfilled by the attainment of the employee's present assignment, then change was unnecessary. The fifth - a corollary of the fourth - is that career development should be viewed as a voluntary programme. In such cases, of course, neither would the organization be obliged to provide further developmental training or promotional opportunities. Sixth, a career move should not be construed only as an upward move. A lateral move or training in the present assignment often accelerated upward movement and might in fact ultimately result in greater fulfillment of career development objectives. Seventh, because career development in the long run was in the interests of both the organization and the staff member, a career move in the short run may not be in the immediate interests of either party. Otherwise the organization might be forced to sacrifice an immediate objective (placing the individual in question in a crucial position be vacated through the departure of another staff member) to fulfil an important personal development

need of the individual (granting a year's study leave). And eighth, because of the above points, the success of career development plans ultimately would have to be measured in terms of the extent to which the needs of both the staff member and the organization were integrated *[A/34/30, para. 216]*.

As to the **components of a career development programme**, ICSC noted that although such programmes may take on a more elaborate or simplified form depending on the organization in which they were implemented, seven basic elements should be present in any career development programme. Since these components were consecutive, they may be viewed as steps in the process of developing a career. The process was cyclical: normally, once the seventh step had been completed, a career stage (successful completion of assignment x or of y training) had also been completed and the process began again with step one. The seven steps were: (a) identification/reassessment of career needs and abilities; (b) information exchange - career counselling; (c) development of tentative career plans; (d) integration of career plans; (e) implementation of career plans; (f) review and evaluation of implemented action; (g) information exchange - assessment of career action taken. The steps in the career planning process may appear to be tediously time consuming. Actually, while a good amount of preparatory thinking was required by both parties, most of the steps can be carried out in a relatively short space of time. This is because the career development process is cyclical with the initial steps of the next cycle already beginning even before the previous cycle has ended. For example, gathering information and identifying or reassessing career needs (step 1 for a further career cycle) already begins to take place during the implementation of career plans (step 4 in present cycle). In fact, most of the steps in the career development cycle could normally be structured within an annual performance appraisal exercise *[A/34/30, paras. 217-218]*.

ICSC also undertook an analysis of the interrelationship of job classification and career development *[A/34/30, paras. 219-227]*.

10th session (August): ICSC considered the extent to which a career service should be provided and the extent to which career and non-career contracts should be granted, using the criterion of the efficiency of the secretariats to perform their tasks. All members agreed that a core career staff was required in the international civil service and that this core would vary in size from one organization to another. ICSC considered it essential that the determination of the proportion of permanent and fixed-term staff should be made on an organization by organization basis so as to reflect not only the differing functions and needs of the organizations but also the policy decisions of their own governing bodies. It considered that some of the criteria by which the need for permanent or fixed-term staff should be determined were: the nature of the functions to be performed, the structural pattern of the organization and the source of funding of posts. ICSC affirmed that both career and non-career staff should be provided with career development programmes on the grounds that even within a span of four or five years' service there was a possibility of developing the temporary staff member's capabilities, and enhancing his or her usefulness upon returning to national service. ICSC noted that little if any attention was being given to career development as a major essential organizational activity. It therefore defined career development as a systematic approach contributing to the efficient and effective utilization of human resources in which the personal (work-related) development needs of the individual and the needs of the organization to develop its personnel (workforce) were identified, and mutually beneficial strategies leading to the maximum possible fulfillment of these needs were designed and implemented *[A/34/30, paras. 201-209]*.

1980 **12th session (July/August)**: In considering whether special developmental programmes should be instituted, ICSC observed that, provided organizational needs were also fulfilled in the process, the promotion of careers should be based fundamentally on the merit principle. It noted, however, that human nature being what it is, not even international organizations were likely to be entirely free from discrimination playing a role in hindering the career development of certain groups such as women,

young people and nationals of certain countries. Nevertheless, any special programmes designed to offset such discrimination should not in themselves be based on discriminatory practices. To have special programmes which would single out and "groom" women, young people and nationals of certain countries or which would exert pressure on management to influence promotions in favour of members of these groups in order to achieve target quotas would also constitute a form of adverse discrimination (sometimes referred to as "reverse discrimination"). In addition, such special career development programmes based as they would be on the assumption that "promotion constitutes career", would be inconsistent with the basic career development policy already laid down by ICSC. That policy affirmed that from the point of view of the staff member career development should not be interpreted to mean simply promotion to higher grade levels. Instead, it should be seen in the larger context of fulfilling one's personal development needs, developing one's abilities and aptitudes to the full and contributing one's talents to the organization in the most productive way all through the planned use of formal and on-the-job training, self-study, planned exposure to different fields of work, duty stations and staff members, lateral transfers and a host of other measures including, but certainly not limited to promotions to higher grade levels *[A/35/30, para. 288]*.

ICSC therefore recommended to the organizations that they not institute special career development programmes which would either single out and "groom" for higher grades or establish target quotas at given grade levels for women, young people, certain nationals or any other group to which any staff member of the organization was not eligible to belong. However, in those cases where disparate treatment of these groups has been found to exist, organizations might find it necessary to institute training programmes which would prepare members of such groups to compete on an equal footing with all other staff members for career development opportunities. ICSC noted that its rejection of such special career development measures did not prejudice the development at a later stage of a recruitment policy having as one of the components the establishment of target hiring quotas for women, young people or certain nationals because the considerations applying to the case of recruitment of new staff members were not the same as those applying to the career development of serving staff *[A/35/30, para. 289]*.

ICSC considered and endorsed some measures that organizations could introduce to ensure that adverse discrimination did not play a role in the careers of staff members. It therefore recommended to the organizations the adoption of the following measures: (a) internal filling of vacancies should not be based on "recruitment by word of mouth" which tended to reinforce clique mentality and perpetuate groups presently employed. Vacancies should be announced and should be communicated to all staff members; (b) application by all staff members should be encouraged by considering applications from organizational units and duty stations outside that in which the vacant job is located and by providing adequate time for the receipt of applications. Application procedures should be set not by administrative convenience but in order to obtain the best possible person; (c) qualification requirements stated in vacancy announcements should be reviewed before-hand to ensure that they are job-related, necessary and non-discriminatory. Education, training, health and years of experience requirements should be related to requirements of the job on the basis of job analysis; (d) terms identifying sex, age and nationality should be removed from internal vacancy announcements; (e) announcements should be published in all working languages of the organization; (f) selection should not be based on sex, age, nationality, physical appearance or any consideration not relating to merit. Seniority within the organization should not in itself be a factor of consideration for advancement except in those specific cases in which it was not possible to distinguish between two or more applicants on the basis of qualification requirements and merit. In such cases the applicant with greater years of service should be given consideration; (g) if examinations were used as a basis for internal placement decisions they must be constructed in such a way that they did not have the effect of discriminating on the basis of sex, age, nationality, culture, etc.; (h) interviews used in the selection process should be structured. They should all be conducted in a like manner so as to maximize

objectivity and to prevent overall personality-related assessments which could be open to prejudice. Checklists of useful questions to be asked and training in interviewing techniques should be given to the personnel officers and managers who conducted interviews; (i) cross-cultural training should be encouraged for managers and others occupying positions of career-related decision-making. Programmes that increased inter-group awareness and cooperation should be implemented. Managers should be reminded to guard against the tendency to select someone resembling themselves rather than to seek characteristics related to the job; (j) as a component of career counselling provided to all staff members, members of groups against which discrimination may exist should receive separate counselling. Such counselling would aim at making these staff members aware of the form(s) of (illegal) discrimination which may exist or other problems which they may have faced and able to recognize specific instances of discrimination or unfair treatment so that they may be reported and investigated; (k) persons chosen as career counsellors should have undergone rigorous selection procedures to ensure that they were objective and free of prejudice. They should know, and be capable of communicating to all staff members in the organization, the qualifications required, the education and training programmes available and other information related to career development; (l) executive heads, chiefs of personnel, career development and placement specialists and managers should resist pressures from any national government to show favouritism in the development of careers of its citizens. The executive head should appeal to the Member States of his or her organization to refrain from exerting such pressures; (m) positions within an organization should not be designated (either formally or informally) as the specific domain of any country or group of countries *[A/35/30, para. 291]*.

In **resolution 35/210**, the GA: (a) recalled its resolution 1436 (XIV) (1959), in which it had recommended, *inter alia*, that the SG's endeavours to increase the number of the secretariat staff appointed on fixed-term contracts should be continued and encouraged; (b) noted the growing tendency to increase the number of fixed-term appointments of staff in various organizations of the UN system; (c) expressed concern about the limited progress in the establishment of a policy of career development; (d) was aware of the divergent views on such matters as various concepts of career, types of appointments and career development expressed, *inter alia*, in the reports of JIU and ICSC; (e) recognized the need to study those matters and their impact on the implementation of Article 101 of the Charter of the UN and personnel policy reforms; (f) requested ICSC and JIU to study further the subjects of the concepts of career, types of appointment, career development and related questions and to report separately thereon to the GA at its 36th session; (g) invited ICSC and JIU to cooperate in the drafting of these two reports.

1981 **13th session (February/March)**: ICSC established a **model notice of vacancy form** *(ICSC/R.267, annex VI)* and recommended that organizations begin using it on 1 July 1981 when advertising vacancies. It instructed its secretariat to develop on an experimental basis a **central vacancy announcement system** in which notices of vacancies would be collected from the organizations and relevant details of these published expeditiously in a career development bulletin that would be sent to all major offices of the organizations and further instructed its secretariat to develop proposals for the operation on a pilot basis of a central candidate referral service for career development purposes. ICSC revised the common prospection procedures it had recommended at its 12th session to include an improvement proposed by CCAQ *(see section 9.10)*. It also resumed consideration of the question of training within the common system in examining training policy and its relationship to career development and elements of a model management training programme. It observed that training was not an end unto itself but one of the means of fostering career development which ICSC had previously defined as containing both staff-related and organization-related objectives.

ICSC recommended that more attention should be devoted to training and that organizations should consider allocating greater resources for training but that operative or contemplated training activities

should undergo a thorough evaluation of their utility to the organization and the tangible results they were expected to acquire before they were extended or introduced. ICSC decided that there was a need within the common system for increasing management training activities *[A/36/30, paras. 236, 202, 206, 209, 226]*.

14th session (July): ICSC resumed consideration of the subject and heard the views of the representatives of the organizations, the staff representatives and of Inspectors Bertrand and Kalifa on behalf of JIU. ICSC had before it a draft report to the GA prepared by its secretariat which contained a detailed examination of the topics included in the outline of the study and provided a total of 27 recommendations. The report also described the further consultations and discussions which had been held between members of the secretariat and Inspector Bertrand in the interval between the 13th and the 14th sessions ICSC also had before it three working papers which had been prepared by Inspector Bertrand on the subjects of grade linking, career development and occupational groups and types of appointment *[A/36/30, annex I, para. 7]*.

As regards the time which had been set aside by the GA for the study, ICSC recalled that its statute also required that it consult to the fullest extent possible with the organizations and the staff. As regards the study, there were considerable divergencies of views both between ICSC and JIU, between the organizations and the staff and among the organizations themselves.

As regards the procedural aspects of the study *(see A/36/30, annex I)* requested by the GA, ICSC decided to remind the GA and the legislative bodies of the other organizations of the common system that: (a) under article 14 of its statute ICSC was singularly empowered to make recommendations to the organizations on career development questions and further that the topics included in the study were those which clearly fell within the scope of ICSC's authority; (b) ICSC had established a detailed plan composed of 16 steps for the examination of the topics of career development, recruitment, human resources development and other related issues at its ninth session (1979); it had since then made progress in steps 1 through 9 of this plan which it had already reported to the GA, and it intended to proceed expeditiously through each of the remaining steps in its plan of work, considering each issue in a comprehensive manner, taking into account the views of the organizations and of the staff in arriving at its decisions and informing the GA periodically of its progress. The steps completed include career and non-career service; career development measures; objectives of career development; interrelationship of career development and job classification; divergent grading patterns (including national professionals); performance appraisal; special development programmes; interorganizational exchange programmes; and the relationship of training to career development.

ICSC further decided: (a) to inform the GA that it had not been possible to provide a substantive report on the question to the Assembly at its 36th session but that ICSC would endeavour to provide such a report to the Assembly at its 37th session; (b) to note that ICSC was grateful for the counsel which had been provided by the JIU in an effort to help ICSC to deal with the topics under consideration *[A/36/30, annex I, paras. 32 and 33]*.

As regards the substantive aspect of the study, ICSC decided that it would not be appropriate for the JIU or ICSC to make any new substantive recommendations to the GA at its 36th session. It decided to recall to the GA: (a) the ICSC recommendation that the proportion of permanent and fixed-term staff should be made on an organization-by-organization basis so as to reflect not only the differing functions and needs of the organizations but also the policy decisions of their own governing bodies; (b) the criteria established by ICSC for determining organizations' needs for permanent and fixed-term staff (the nature of the functions to be performed, whether continuing or non-continuing; the structural pattern of the organization; and the source of funding of posts); (c) the intention of ICSC to study further, in accordance with article 15 of its statute, the types of appointment used within the common

system with a view to reducing them; (d) the ICSC recommendation that the granting of preferential treatment in the development of careers on the basis of sex, age, nationality or other factors not related to merit should be discontinued; (e) the steps taken by ICSC aimed at eliminating exaggerated performance appraisals and the misrepresentation of career development opportunities *(ICSC/R.267, para. 172-187)*; (f) the decisions and recommendations relating to career development that it had made as regards common prospection procedures, a model notice of vacancy form, a central vacancy announcement system, a central candidate referral service, the Interorganization Agreement Concerning Transfer, Secondment or Loan of Staff, interorganization exchange of staff, the merit principle, removal of discriminatory action affecting career development, mobility, identification of career paths, career development objectives and benefits, components of career development programmes, interrelationship of career development and job classification, career planning, performance appraisal, and training; (g) the intention of ICSC to investigate further in the future the questions of human resource planning, promotion policy, recruitment policy, appointment and employment policy in a detailed and comprehensive manner and to report its decisions and recommendations on these as each question was considered; (h) that at its 8th session ICSC had informed the GA that it was highly necessary that, as the body having central responsibility for such matters, it be responsible for developing a common classification of occupational groups; that it had established the common classification of occupational groups (CCOG) as the occupational classification to be used within all of the organizations of the common system in 1979 and had so reported to the GA in its annual report for that year; that the SG had already informed the Assembly in 1978 of his intention to implement CCOG; that all the organizations of the common system, including the UN Secretariat, had since categorized their jobs according to CCOG; that the purpose of CCOG, as regards career development, was to provide the occupational information necessary for the planning and development of careers; that the development of careers meeting the needs of both the organization and the staff member should continue to be permitted both within and between occupational groups; and consequently that CCOG or any other occupational classification should not be used as a device to restrict the development of careers to within occupational groups *[A/36/30, annex I, para. 34]*.

By **resolution 36/233**, the GA requested ICSC to give high priority to the completion of the study on the broad principles for the determination of conditions of service with particular reference to concepts of career, types of appointment, career development and related questions, taking into account the views expressed by delegations in the Fifth Committee, all related studies and the relevant reports of the JIU and to report on it to the GA at its 37th session.

By **decision 36/457**, the GA: (a) took note of the reports of ICSC *(A/36/30)* and JIU *(A/36/432, Add.1)* and the comments of the UN/SG thereon *(A/36/432, Add.2)*; (b) decided to discuss at its 37th session the subject of the concepts of career, types of appointment, career development and related questions as requested in its resolution 35/210.

1982 **16th session (July)**: ICSC found that the concepts of career and career development were the end result of a well integrated personnel management system, and any review of career development, to be meaningful, must concentrate on the intricate chain of personnel policies and procedures that enabled organizations to respond to their staffing requirements as well as to the developmental potential of staff members. In the common system this process was based on a number of fundamental principles, which were laid down in the Charter and Staff Regulations of the UN, and in corresponding instruments of the other organizations: "(a) in recruitment, the paramount consideration is the necessity of securing the highest standards of efficiency, competence and integrity, due regard being paid to the importance of recruiting the staff on as wide a geographical basis as possible. Selection of staff members is made without distinction as to race, sex or religion, and, so far as possible, on a competitive basis; (b) appointments are made to posts which are defined in terms of category, level, commencing rate of

salary and scale of increments; (c) salary increments within the grade are granted periodically on certification of satisfactory service. As regards advancement to a post of a higher grade, the paramount consideration that governs recruitment also applies to promotion. Moreover, in filling vacancies, persons already in the service of the organization, or of any organization in the UN system, are normally given preference, `without prejudice to the recruitment of fresh talent at all levels'; (d) once appointed on a career basis, a staff member remained in service until retirement or until separation for cause; and (e) any administrative action affecting a staff member's right under his or her terms of appointment may be appealed in accordance with procedures which, among other things, implement the principle of being judged by one's peers, and was ultimately decided by an independent tribunal." These broad principles had always been the point of departure for ICSC in its deliberations on personnel policies, including the concepts of career, types of appointment, and career development *[A/37/30, annex II, paras. 1, 2 and 3]*.

ICSC therefore reiterated the central role of those "related questions" to which the GA had referred in its resolution 36/233, and took the position that the objective of establishing systematic career development for all categories in the common system, be it for short-term or long-term staff, could be met only through systematic, forward- looking human resources management based on an integrated set of policies in the areas of budgetary planning, job classification, recruitment, types of appointment, performance evaluation, mobility, promotion and training *[A/37/30, annex II, para. 10]*.

ICSC was very much aware of the constraints on the development of a career service enumerated by the organizations, but at the same time, it recognized that the need for a core career staff remained valid and that there were many advantages to a career service, both in terms of staff quality and cost effectiveness, which should induce organizations to keep their needs for a core career staff under constant review. ICSC therefore recommended that organizations, to the extent possible, should prepare forecasts of their human resource requirements, and reassess their needs for permanent and fixed-term staff on an ongoing basis in conjunction with this forecasting process, taking into account, *inter alia*, the nature of the functions to be performed, whether continuing or non-continuing *[A/37/30, annex I, paras. 24 and 25]*.

ICSC also emphasized that many elements of a career service, such as training opportunities, career counselling and planning, promotion opportunities, lateral reassignments, interorganizational exchange and retirement benefits, need not be reserved for that relatively restricted group of core staff but should be equally available to staff members who were employed for periods of an unforeseen or relatively short duration.

ICSC also recommended that organizations do their utmost to inform staff members at the time of recruitment, what their intentions were as regards the most likely period of employment, subject to any changes in the requirements of the organizations' programmes and to satisfactory performance on their part. In this manner, they would allow those staff members who were not brought in for a possible career with the organization to plan their careers in another context, building on to their common system experience at a stage where such planning was still possible *[A/37/30, annex I, paras 27 and 28]*.

ICSC stated that to generate a process of career development in organizations, it was necessary to define by what rules staff could be promoted, how promotions tied in with the classification of jobs, and how staff were identified for higher levels of responsibility. ICSC considered that the granting of **personal promotions** might be in the interest of organizations to recognize exceptional situations. It strongly urged organizations to ensure that their promotion processes were aligned with their career development policy, and requested the organizations to pursue this goal in close coordination with

ICSC as it carried out its further studies in this area of personnel policy *[A/37/30, annex I, paras. 45-47]*.

ICSC stressed that a career comprised many elements, such as the opportunity to work through a series of successively more responsible positions within an organization. It encouraged the view of a career in the larger context of fulfilling one's personal development needs, developing one's personal abilities and aptitudes to the full, and contributing one's talent to the organization in a most productive way. It considered that the development of careers was beneficial both to the organizations and staff member and defined career development as:
"a systematic approach contributing to the efficient and effective utilization of human resources in which the personal (work-related) development needs of the individual and the needs of the organization to develop its personnel (workforce) are identified and mutually beneficial strategies leading to the maximum possible fulfillment of these needs are designed and implemented."

ICSC therefore recommended that organizations should prepare forecasts of their human resource requirements, and reassess their needs for permanent and fixed-term staff on an ongoing basis in conjunction with this forecasting process, taking into account, *inter alia*, the nature of the functions to be performed. This would preclude the use of pre-determined ratios based upon decisions taken in the past under circumstances that may no longer be valid, and thus obviate the present practice in some organizations of employing staff for lengthy periods without providing an element of job security. This recommendation would encourage the alignment of programme needs with contractual policy *[A/37/30, annex I,appendix II, paras. 51]*.

By **resolution 37/126**, the GA welcomed the study on the concepts of career, types of appointment, career development and related questions submitted by ICSC and considered that the overall concept of integrated personnel management based on human resources planning as envisaged by ICSC would assist organizations in achieving their programme objectives in an efficient manner, while providing improved conditions for career development to all categories of staff in the common system, whether they served in career or fixed-term appointments.

1983 In **resolution 38/232**, the GA recalled its resolution 37/126 and reaffirmed its support for the overall approach envisaged by ICSC which aimed at the development of policies for an integrated personnel management system, based on human resources planning, to assist organizations in achieving their programme objectives in an efficient manner, while providing improved conditions for career development.

1984 **19th session (March)**: ICSC considered documents submitted by CCAQ and FICSA which dealt with the overall **promotion policies** of the organizations. It decided to recommend that : (a) organizations announce all vacancies open for internal advancement and allow staff to compete for posts at a higher level without restrictive pre-screening; (b) the fullest regard be given within the framework of the organizations' overall staffing needs and without prejudice to the need for equitable geographic distribution, to internal candidates, whenever a vacancy occurred, taking into account requests for lateral moves as well as aspirants for promotion; (c) organizations develop specific guidelines concerning the criteria for promotion to supervisory and managerial positions; such criteria might include: (i) an understanding of the organizations' work programmes, policies and procedures; (ii) the ability to plan work programmes effectively and to make full use of available staff resources by appropriate delegation of responsibility, by showing concern for staff aspirations, by motivating staff and by furthering staff development; (iii) the ability to negotiate successfully and carry out sensitive assignments; (iv) the capacity to communicate successfully; (v) the readiness to innovate and to take decisions; (d) organizations adopt procedures providing the opportunity for selection and promotion bodies to invite supervisors, when necessary, to their meetings in order to obtain additional pertinent information about the potential of staff to assume more responsibility and perform at a higher grade;

(e) each organization individually clearly define the impact that mobility, experience gained in lateral assignments and language skills would have on promotion opportunities for its staff; (f) the organizations distinguish between those posts which were being upgraded by deliberate managerial design and were therefore to be treated as new vacancies and those posts where there had been a gradual accrual of new responsibilities, so that the incumbent, if fully qualified, might be promoted without a competitive process; (g) promotion to full performance level be given after a transition period of up to one year to staff who were assigned to a position at a level higher than their personal grade with the understanding that they did not yet meet all the requirements of the post and would have to fulfil certain conditions before being given the full responsibilities of the post and promotion to that higher level; (h) personal promotions be considered to recognize exceptional situations where the personal value of certain staff members in the organizations exceeded the value of the job they performed and where conditions such as the following prevailed: (i) the organization wished to keep a staff member in a certain field duty station for a protracted period, in the interest of the organization's programme, whereas the staff member would normally have had an opportunity to progress to functions at a higher level; (ii) the organization wished temporarily to keep a staff member in a certain narrow field of specialization in order to retain a certain expertise that had become crucial to the programme, while the staff member had the potential to take up broader responsibilities at a higher level; (iii) a staff member had shown truly exceptional merit and was expected to be assigned to a higherlevel post in the foreseeable future; (iv) a staff member had served the organization well for many years in an occupational group that had a low "career ceiling" (e.g. translators and editors) and had developed an "institutional memory" that the organization could tap for exceptional measures (e.g. research); (i) the use of personal promotions should be restricted wherever possible to either 5 per cent of the established posts at a given level or to the percentage of the average vacancy rate at that level, whichever was less *[A/39/30,paras. 221 and 222]*.

20th session (July): ICSC continued its discussion of promotion policy on the basis of a document submitted at its request by CCAQ. It reiterated its position that promotions should be based primarily on the merit and competence of the staff. ICSC recommended that organizations give adequate weight to seniority in the promotion process, all other conditions being equal; it further recommended that special strict criteria be developed for accelerated promotions based on outstanding performance to counteract a situation where part of the staff stagnated while others ascended rapidly on the career ladder. In all other cases, ICSC recommended that the organizations be guided by the following minimum time-in-grade requirements: five years for promotions to levels D-1 and P-5, two years to level P-2 and three years to all other levels *[A/39/30, paras. 221, 222 and 223]*.

1987 **26th session (July)**: By resolution 41/213, the GA had requested the SG to transmit a number of recommendations of the "Group of 18" to ICSC for advice. In connection with recommendation 48, ICSC reiterated its previous recommendations on career development and recommended that this should not be limited to occupational groups, but should included related groups as well *[A/42/30, para. 45 (d)]*. Regarding recommendation 49, ICSC emphasized the necessity of encouraging mobility and linking it to career development *[A/42/30, para, 45 (e)]*. It noted that recommendation 51, on promotion policy, was in line with previous ICSC recommendations in this area, but advised that appointment and promotion bodies should be composed of members of a number of occupational groups *[A/42/30, para. 46 (d)]*.
By **resolution 42/221**, the GA took note of the above recommendations.

1989 **30th session (August)**: After reviewing the report of the Working Group established to assist it in carrying out the comprehensive review in the area of motivation and productivity, ICSC decided to recommend to the organizations that they modify their promotion policies to ensure that upon promotion the staff member was placed at a step in the higher grade representing no less in monetary terms than the value of two steps in the staff member's present grade *[A/44/30, vol. II, para. 357(a)]*.

1990 **31st session (March)**: In considering the implications for the GS category of the decisions arising out of the comprehensive review, ICSC examined *inter alia* the issue dealing with two steps on promotion. While recognizing the need to provide equity among both categories of staff, it did not feel that there was an automatic linkage in this respect *[A/45/30, para. 234]*.

1993 **38th session (July/August)**: In the context of its discussion of the relationship between job classification and other elements of human resources management, ICSC reaffirmed that job classification was compatible with, and indeed a prerequisite for, the development of effective career planning systems. The key to effective linkages between job classification and other components of human resources was the translation of the current and future operational needs of the organizations into a structure that also took into account their human resources needs *[A/48/30, para. 222(c)]*.

ICSC also reviewed training in the context of human resources development. It recalled that training, which was an integral part of human resources planning, should serve both the needs of management for improved organizational efficiency and the career development needs of the staff. In the drive for enhanced managerial effectiveness, the training needs of staff should not be overlooked, for a frustrated workforce was not an efficient one. It acknowledged at the same time that staff members themselves bore part of the responsibility for their own development and reiterated the importance of training as a means of assisting organizational efficiency and enhancing the career objectives of staff *[A/48/30, paras. 233 and 235]*.

1994 **40th session (June/July)**: ICSC considered the use of personal promotions in its discussion of performance management *(see also section 9.70).* It recalled that it had reaffirmed the possible use of personal promotions in certain specific circumstances. It did not, however, in general advocate the use of personal promotions, and felt that the introduction of reward and recognition programmes could reduce the need for personal promotions *[A/49/30, para. 338]*.

1995 **41st session (May)**: In the context of a report on the implementation of ICSC decisions and recommendations *(ICSC/41/R.14; see also section 12.10)*, the ICSC secretariat noted that some organizations had expressed concern about the internal consistency of the positions taken by ICSC over the years in respect of personal promotions. In that regard, it was clarified that the 1984 recommendations in the area had been of a parameter-setting rather than an exhortative nature. They had, indeed, been framed in a climate of hesitation about the wisdom of such measures. In 1993, ICSC had reaffirmed the parameters it had set in 1984, while noting at the same time that if organizations introduced merit awards, their need for personal promotions should be reduced (given that one of the conditions for granting personal promotions was "truly exceptional merit", which would presumably be accommodated under a merit award scheme). ICSC had reiterated this position in 1994 in its consideration of performance management measures *[ICSC/41/R.19, para. 361]*.

ICSC noted that personal promotions appeared to be a growing practice; for some that was another instance of patchwork measures taken to compensate for inadequate salary levels. ICSC reaffirmed that it was not an advocate of personal promotions, which should remain an exceptional measure. It wished to revert to the matter in the context of its 1997 review of performance management measures *[ICSC/41/R.19, para. 369]*.

Recalling that in 1994 it had agreed to the award of personal promotions as an exceptional measure and had prescribed strict parameters for them, ICSC decided: (a) to reaffirm that in general, it did not advocate the use of personal promotions; (b) to confirm that it foresaw that the exceptional reasons that might lead to the award of personal promotions would be dealt with within the framework of other reward and recognition programmes; (c) to revert to the matter in the context of its 1997 review of performance management measures *[ICSC/41/R.19, para. 371 (i)]*.

SECTION 9.60
TRAINING AND DEVELOPMENT

1980 **12th session (July/August)**: ICSC considered the question of special management training programmes. It endorsed the principle that management training programmes be developed within the organizations of the common system in such a way that safeguards were provided for the interests of both staff and management. The following suggestions to be borne in mind when developing such management training programmes were identified: (a) basing the development of such programmes on an awareness of the three types of knowledge necessary for successful managerial performance: technical knowledge of the subject matter(s) to be managed; knowledge of the principles and theories of management science and human relations skills; (b) making greater use of on-the-job training through rotational assignments and lateral transfers; (c) basing eligibility to such programmes on merit and making them open to all staff members, regardless of sex, age, nationality, etc.; (d) ensuring that selection procedures for such programmes were objectively and efficiently administered; (e) ensuring that selection for such programmes did not constitute an automatic right of progression to management levels; (f) carrying out cost-benefit analyses to estimate and justify resources needed to implement such programmes; (g) instituting continuing evaluation programmes to determine the extent to which the objectives of the training programmes were accomplished so that the training or selection criteria may be modified in order to achieve better results *[A/35/30, para. 294]*.

1981 **13th session (February/March)**: ICSC considered two documents submitted by CCAQ in response to ICSC's decision that CCAQ provide proposals on training policy. The subjects of those two reports were training policy and its relationship to career development *(ICSC/R.254)* and the elements of a model management training programme *(ICSC/R.255)*.
ICSC decided that training should be seen as fulfilling three purposes: the maintenance and updating of skills which each staff member needed in his or her current job; the development of skills required to perform different work at the same level of responsibility or to assume work at higher levels of responsibility; and, finally, the development of the staff members' individual abilities, aptitudes and intellectual awareness. ICSC observed that there were currently three basic forms of training in the organizations, namely, on-the-job training, formal internal training and external training (including self-study). It found that the training activities in which the organizations were most active were, apart from language training, orientation and briefing *[A/36/30, paras. 199, 202 and 203]*.

ICSC recommended to all organizations that they should consider allocating greater resources for training but that operative or contemplated training activities should undergo a thorough evaluation of their utility to the organization and the tangible results they were expected to achieve before they were extended or introduced. ICSC considered that another way in which the organizations could overcome the problem of inadequate resources was to further develop interagency co-operation. Joint planning of training activities was a measure of particular importance for the smaller organizations, which, because of their more limited staff and resources, had difficulty in offering even basic training opportunities. Increased joint funding of common activities would permit better advanced planning, but before such measures could be agreed upon further study was required in order to ensure that the differing needs and possibilities of organizations were taken fully into consideration. In order to define more precisely the role which it would play in common staff training programmes, ICSC instructed its secretariat to consult with UNITAR to determine what common training programmes it had or was in a position to carry out and to report back at the fourteenth session on the extent to which ICSC should be involved in common training programmes *[A/36/30, para. 206]*.

14th session (July): ICSC considered the role it would play under article 14 of its statute, which states that it "shall make recommendations to the organization ... on staff training programmes, including interorganization programmes". It considered a report prepared by its secretariat following

consultations which had been carried out with UNITAR at ICSC's request. The secretariat described the Institute's statutory mandate and training programmes, examined the role of the Institute in providing common training programmes and concluded that, although UNITAR might provide training for staff members of the common system, that was not a priority activity, nor could it be expected to be, given the financial situation of the Institute *[A/36/30, para. 210]*.

A preliminary analysis was also made of what needed to be done in the field of training within the common system. Four major types of training services required by individual organizations and the common system were identified and explained in detail: (a) development of training policy; (b) identification of training needs; (c) development and provision of training activities to meet identified needs; and (d) evaluation of training activities *[A/46/30, para. 211]*. ICSC observed that more emphasis had to be given to the purposes for which training was offered and, to that end, the identification of training needs was important. It was also true that little had been done by organizations in evaluating the effectiveness and cost efficiency of the training programmes offered. One of the major obstacles to providing those and other needed training services was the lack of sufficient funds earmarked for training. It decided therefore: (a) to note the common training activities that UNITAR offered and was in a position to carry out; (b) to note the four categories of training services required by individual organizations and the common system; (c) to instruct its secretariat to hold further consultations with CCAQ, UNITAR and FICSA on the proposals concerning the roles of organizational entities in the provision of training services in the common system and to study the possibility of establishing a common fund jointly financed by organizations to facilitate the provision of such services. The results of those consultations would be reported upon by ICSC in its next annual report to the GA *[A/36/30, paras. 215 and 216]*.

The GA noted in **resolution 36/233** ICSC's consideration of training and requested ICSC to continue its studies of the development of interagency cooperation in the field of training with a view to the more efficient and economical use of personnel resources in the common system; and a thorough evaluation, in close collaboration with the organizations of the utility of current and proposed training activities in the UN system, with special reference to management and related training.

1982 **15th session (March)**: ICSC drew attention to several recommendations it had previously made in respect of training. In particular, it recommended to the organizations that they stimulate an assessment of staff training needs by encouraging a dialogue between supervisors and staff members in order to identify realistic training objectives which should assist career planning and provide the organizations with the staff skills and knowledge needed to achieve their programme objectives. ICSC noted the views expressed by CCAQ and FICSA and also the many references to training in the Fifth Committee, culminating in GA resolution 36/233. It agreed that CCAQ should be requested to pursue its work in this area and that the existing mandate of the secretariat should be renewed to enable further consultations to be carried out in the light of the most recent developments in the field of training *[A/37/30, para 315]*.

1984 **20th session (July)**: ICSC considered the **assessment of training needs** by organizations of the common system on the basis of a paper prepared by its secretariat *(ICSC/20/R.22)*. It decided: (a) to affirm that the determination of staff training needs was an important part of the human resources planning process; (b) to stress that, in order to justify the possible expenditures for training in an organization, the cost-effectiveness of proposed training activities should be demonstrated in the light of their expected impact on the organization's work programme in comparison with other possible administrative decisions, paying special attention to the necessity of recruiting staff who fully met the basic criteria of efficiency, competence and integrity; (c) to note that the assessment of training needs linked to overall organizational objectives was a prerequisite for the evaluation of training since it provided the yardstick against which the effectiveness of training could be measured; (d) to reaffirm that the determination of training needs lay within the competence of management; (e) to request the

organizations to consider the approach to the assessment of training needs outlined in the secretariat's document in the light of their individual requirements and to report to ICSC at its 22nd session on the methods that they used to identify their training needs and on the feasibility of following the guidelines developed by its secretariat; (f) to request its secretariat: (i) to pursue its work on the development of training policies by elaborating an approach to the evaluation of training programmes in the context of the assessment of training needs, taking into account the views of ICSC set out in (a) to (d) above, in close consultation with the organizations and staff representatives; (ii) to assess areas where inter-agency co-operation in training could be expanded, again in close consultation with the organizations and staff representatives; (iii) to report to ICSC at its 22nd session on the progress made on (i) and (ii) above *[A/39/30, para. 226]*.

By **resolution 36/39**, the GA noted the intention of ICSC to pursue its work on the development of training policies by elaborating an approach to the evaluation of training programmes.

1985 **22nd session (July)**: ICSC reviewed a document submitted by CCAQ in response to ICSC's request that the organizations consider a range of recommendations on **testing**, including the feasibility of an inter-agency proficiency examination and, *inter alia*, a reappraisal of the objectives of the language proficiency examination in the light of the functional requirements of the organizations. As to the feasibility on an inter-agency language proficiency examination for serving staff, ICSC 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 comprehensive approach at the time. It decided, therefore, to request the organizations to coordinate and harmonize, to the extent possible, their language proficiency examinations for serving staff *[A/40/30, paras. 253-157]*. ICSC considered a document prepared by the secretariat *(ICSC/22/R.15)* and a document prepared by CCAQ.

The ICSC document was a progress report on activities undertaken in the area of training since the 20th session. It referred specifically to a paper prepared by an inter-agency task force on training evaluation that had been established at the 10th 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 ICSC at its 20th session *[A/40/30, para. 264]*.

ICSC noted with satisfaction the CCAQ paper reporting on its examination of the needs assessment model proposed by ICSC. The CCAQ findings endorsed the approach recommended by ICSC: (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. ICSC decided therefore to recommend that the model be adopted by all organizations as a general framework for determining training needs. It 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 CCAQ to submit detailed recommendations to the twenty-fourth session *[A/40/30, para. 268]*.

1987 **26th session (July)**: ICSC had before it a document on the evaluation of training deferred from its 24th session *(ICSC/24/R.12)*. The document presented some general considerations and outlined four basic approaches to evaluation: (a) reaction; (b) learning; (c) application or implementation; and (d) impact, and pointed out that responsibility for the first two types rested with the trainer and for the remaining two with the manager.
Attached to the document was a questionnaire developed by the secretariat on the evaluation of training, which had been formulated in consultation with the organizations and circulated to them for reply. At the time of the session most, although not all, of the organizations had provided information

to the ICSC secretariat *[A/42/30, para. 306]*. In view of the importance of staff training, ICSC regretted that this topic had been deferred and progress in this area had therefore been held up. ICSC requested its secretariat to pursue consultations with CCAQ. Depending upon their outcome, ICSC would be in a position to consider the training evaluation model at its 28th session *[A/42/30, para. 309]*.

By resolution 41/213, the GA had requested the SG to transmit a number of recommendations of the "Group of 18" to ICSC for advice. ICSC reiterated its previous recommendations regarding training, which should be used as guidelines for the implementation of recommendation 48 *[A/42/30, para. 45 (i)]*.

By **resolution 42/221**, the GA took note of the Commission's advice.

1993 **37th session (March)**: In the context of its consideration of appraisal and recognition of performance, ICSC noted that a number of common system organizations had expressed interest in the development of a **generic performance appraisal training module**. An important element in ensuring effectively functioning performance appraisal systems was that all staff understand fully the objectives and benefits of those systems. It was equally important that managers and others responsible for carrying out performance appraisal be trained in skills and techniques to enhance the process. ICSC therefore requested its secretariat to develop for its 38th session a training module for performance appraisal that could be adapted by organizations to suit their individual needs *[ICSC/37/R.18, paras. 194 and 198]*.

38th session (July): ICSC undertook a review of the status of its work in the area of training *(ICSC/38/R.18)* and considered how it might most usefully carry forward its mandate in that regard in the future. It also had before it proposed guidelines for the evaluation of training which had been developed in conjunction with the organizations' training specialists. ICSC recalled that in 1981 it had identified four major types of training services as being required by individual organizations and the common system: (a) development of **training policy**; (b) **identification of training needs**; (c) **development and provision of training activities** to meet identified needs; and (d) **evaluation** of training activities. In reviewing the work done in each of those areas, it noted the desirability of an active partnership being continued between its secretariat and training specialists of the organizations, as a means of optimizing scarce resources.

Regarding (a) above, ICSC recalled that over a decade earlier it had elaborated a series of policy statements on the role of training in career development and human resources management. Those statements were equally valid today. The issue was therefore not so much the development of further work at the conceptual policy level as the translation of policy statements into practice. Regarding (b), ICSC recalled that in 1984 it had recommended to the organizations a model for the assessment of training needs. It reiterated the importance of assessment training needs as a prerequisite for training programmes, and strongly encouraged the organizations to use such mechanisms (either the model recommended by ICSC or some other). ICSC was interested in receiving feedback from the organizations on their practical experience in that area. With regard to (c), ICSC welcomed the strengthened collaboration between its secretariat and the organizations. It took note of the ongoing and planned activities by its secretariat in the areas of (i) general information and briefing (workshops on job classification, seminars on conditions of service); (ii) development of training and other human resources management tools; and (iii) participation in inter-agency training programmes. ICSC had no difficulty in endorsing the proposed direction of the activities proposed *[A/48/30, paras. 228-230]*.

ICSC then considered the proposed **guidelines for the evaluation of training**. It noted that the guidelines had evolved from a request by the GA, in **resolution 36/223** (1981), for a thorough evaluation of training activities in the United Nations system. It viewed the guidelines as an essential

corollary to the needs assessment model; by assisting organizations in their efforts to measure and quantify the results of training, they should help to generate increased support for effective training programmes. It therefore endorsed the guidelines.

ICSC then turned its attention to how it could assist, in a more general sense, in enhancing awareness of the importance of training. It recalled, in that regard, that training, which was an integral part of human resources planning, should serve both the needs of management for improved organizational efficiency and the career development needs of the staff. In the drive for enhanced managerial effectiveness, the training needs of staff should not be overlooked, for a frustrated workforce was not an efficient one. It acknowledged at the same time that staff members themselves bore part of the responsibility for their own development. ICSC decided: (a) to reiterate the importance of training as a means of assisting organizational efficiency and enhancing the career objectives of staff; (b) to endorse the direction proposed by its secretariat for future work in the area of training, and to invite the secretariat to consider ways in which awareness of the value of training could be enhanced; (c) to approve the guidelines for the evaluation of training *(see A/48/30, annex. XII)* and recommend their application in the organizations *[A/48/30, paras. 230-235]*.

1994 **40th session (June/July)**: ICSC had before it three **generic modules for training in performance appraisal** that had been developed by the secretariat in cooperation with a working group of the CCAQ Sub-Committee on Staff Training. The modules developed, which were intended for different target audiences, were: Module I - operational briefing on the performance appraisal system; Module II - appraisal interviewing and feedback skills; Module III - performance management skills.

ICSC endorsed the modules for training in performance appraisal *(A/49/30, annex VIII)* as an integral part of the performance management package recommended to the organizations *(see also section 9.70) [A/49/30, para. 346]*.

1998 **47th session (April/May)**: At its 1997 forum on new directions in human resource management at Glen Cove, ICSC had identified key issues of the common system of the future, of which four were perceived to be high-leverage/low-cost issues that could be accomplished within a reasonable time-frame *(ICSC/47/R/R.9.)*. One topic, entitled "**Managing diversity**", was capacity-building for change management, which included strengthening intercultural synergies and creating a better appreciation of cultural and gender diversity in order to improve resource management in a multicultural environment. It also reviewed the broad outlines of a series of generic training/learning modules developed for that purpose. A **best practice compendium on diversity initiatives** had also been issued and was deemed by the Commission to be a useful reference source. ICSC considered that the usefulness of the modules would best be determined by the organizations for whom they were intended, noting that the programmes had been tried out as pilot projects prior to the session by the New York based organizations, which had reacted favourably to them. The programmes were modular, flexible and up-to-date technologically which permitted organizations to choose among the modules, tailor them to their individual needs and use them in whichever context was most appropriate. The organizations and in particular, the UN, endorsed the training/learning programmes. ICSC requested the secretariat, in close collaboration with the organizations and the UN Staff College, to continue to refine the training/learning modules to ensure that they met the needs of the organizations. ICSC wished to be kept informed by its secretariat about further developments and the use made of the modules.

1999 **50th session (July):** ICSC presented an oral report on the status of implementation of the training/learning modules by the organizations. In the first half of 1999, two **train-the-trainer workshops** were organized by the secretariat. The first workshop, hosted by UNICEF, was held in February for organizations based in New York (representatives from five organizations attended). In April, a similar workshop, hosted by UNESCO, was held in Paris for the European-based agencies (11 organizations were represented). The consultant who had worked with the secretariat to develop the

programme presented the module intended for managers. It dealt with the ways in which culture contributed to, or inhibited, communication and showed that understanding and awareness of cultural differences was a key factor in effective interaction and communication and resulted in increasing staff capacity. ICSC concluded that the training modules would help both managers and staff to deal with their cultural differences based on awareness and increased knowledge of diversity. As new people joined the United Nations system, the mosaic would be ever more diversified, creating an ongoing need for such training. The secretariats of ICSC and CCAQ were requested to collaborate on the design of assessment tools to evaluate the programme's effectiveness in managing issues of cultural diversity and its impact on the working environment. ICSC considered that, to support its decision to allocate resources to this project, this training programme required particular follow-up with the organizations *[ICSC/50/R.5, para.41]*.

SECTION 9.70
PERFORMANCE APPRAISAL AND RECOGNITION OF MERIT

1980 **11th session (February/March)**: ICSC reviewed a comprehensive study on performance appraisal techniques used by the organizations of the UN common system and some other international organizations, by selected national civil services and by some private sector enterprises having operations international in scope. ICSC, in noting that effective performance appraisal was essential if the efficiency of the international civil service was to be improved and if proper career development measures were to be introduced, identified a number of principles which should be followed when determining performance appraisal systems *[A/36/30, annex 1, para. 26]*.

1980 12th session (July/August): ICSC considered that the development of effective performance appraisal systems was essential if the efficiency of the international civil service was to be improved and if proper career development measures were to be introduced. Consensus was reached on certain underlying principles and general considerations as well as on the objectives of performance appraisal. As regards the principles to be borne in mind when developing performance appraisal policies, ICSC affirmed that: (a) appraisals should be made on the basis of work done by the staff member and not on personality traits; (b) peer appraisal and subordinate appraisal should be discouraged. However, second-level supervisors should be involved in the appraisal process, both to ensure greater objectivity and as a control for consistency in the application of appraisal criteria among several immediate supervisors; (c) the problem of lack of time, interest and will on the part of supervisors to distinguish differences among staff members' performance called for serious attention; (d) the institution of appeals machinery was an important aspect of performance appraisal, especially in a multicultural environment such as existed in common system organizations; (e) with regard to the confidentiality of performance appraisals, the staff member should be given a complete copy of the appraisal, but the report should be given to future employers only with the agreement of the staff member *[A/35/30, para. 269]*.

It was recognized that performance appraisal systems should not cause any surprise on the part of those being appraised. Appraisal was a continuing process. The appraisal process needed to be open if it was to be effective. Annual performance reports should summarize the appraisal communication which took place throughout the year *[A/35/30, para. 271]*. Performance reports should be an instrument of positive motivation by both stressing good performance and (while identifying not-so-good performance) trying at the same time to assist in developing means of improving it. Thus, while the appraisal discussed past performance, it should be forward-looking in trying to build for successful performance in the future *[A/35/30, para. 272]*.

ICSC identified the following 4 categories of performance appraisal objectives:

(a) <u>Work-related objectives</u>

provide a control for work done;
improve productivity;
improve efficiency;
help in assigning work;
determine if the objectives of the job are met by the staff member;
plan future work assignments.

(b) <u>Career development objectives</u>

identify training needs;
provide an opportunity to indicate career goals and aspirations;
identify career possibilities within the organizations;
identify strong and weak points and encourage finding remedies for weak points;
determine career potential;
plan developmental (promotional or lateral) assignments.

(c) Objectives of communication

permit a dialogue between the supervisor and the subordinate;
provide adequate feedback on performance;
clearly establish what is expected of the staff member in terms of performance and future work assignments;
provide motivation and job satisfaction through open discussion of performance;
let employees know where they stand within the organization in terms of their performance.

(d) Administrative objectives

check if the job description is up-to-date;
serve as a basis for allocating merit awards;
determine if an annual increment is to be awarded;
serve as a basis for determining transfers;
determine successful or unsuccessful completion of probationary assignment;
serve as a basis for promotion or demotion;
serve as a basis for extension or termination of contract in case of satisfactory or unsatisfactory service;
serve as a basis for termination in case of reductions of staff;
provide information for future employers *[A/35/30, para. 275]*.

ICSC considered that the following conclusions needed to be drawn if appraisal systems were to achieve the four major objectives: appraisal content should include work-related and career-related components; appraisal forms should provide a section on each of these: appraisal process should stimulate communication of appraisal content; follow-up action was required after appraisals to ensure that appraisal results were taken into account in administrative decision-making; and, finally, appraisal systems should be evaluated from time to time to determine if the four major objectives were being achieved.

Consensus was also reached with regard to the confidentiality or otherwise of performance appraisals as well as on appeals mechanisms. ICSC considered that the appraisal should not be kept confidential from the staff member and that appeals should be permitted but only in those cases where it was believed that adverse discrimination, improper application of the appraisal procedures or other forms of unfair treatment had occurred. The appraisal itself should not be the subject of negotiation between the supervisor and subordinate, but rather the result of the responsibility of the supervisor to report accurately and objectively on performance.

ICSC concluded, therefore, that while consensus had been reached on several issues, further study was required both on certain aspects of performance appraisal policy as well as on the forms to be used *[A/35/30, paras. 278 and 280]*.

1981 **13th session (March)**: ICSC resumed consideration of the type of performance appraisal form and other policy questions which had been postponed pending the receipt of further views of CCAQ and FICSA *[A/36/30, para. 217]*. Performance appraisal within the multicultural context of the

international civil service must, of necessity, be based as far as possible on objectively measurable data. Expectations of behaviour brought about by ignorance of the cultural values of others and personality conflicts resulting from differing behavioural norms were pitfalls to be avoided in international organizations. ICSC decided that the approach least vulnerable to such problems was that in which the objectives that needed to be achieved in a given job were identified and communicated to the incumbent in advance of the appraisal period. It identified several other benefits accruing from such an approach, including a strengthening of the links between performance objectives of individual jobs and the objectives of the organizational unit and identification of individual development objectives contributory to job objectives. ICSC considered that levels of job performance should be among the means of determining career advancement and that organizations, in applying performance appraisal systems, would achieve best results by striving to provide positive rewards for performance that excelled the norm and deterrents for substandard performance. It recommended that organizations should study means for providing appropriate awards within the current steps and range of the salary scale. It considered the role of the supervisor in the performance appraisal process as that of full responsibility for measuring the staff member's performance against work-related objectives and a shared responsibility with the staff member to develop the staff member's knowledge, potential and ultimately, career, and thereby, the potential of the organizations workforce. The performance appraisal of managers should include an evaluation of the manager's effectiveness in carrying out appraisals. Staff members should help their managers to set work-related performance goals and play a major role in defining career objectives. The role of the Personnel Department included primary responsibility for ensuring that the performance appraisal system was fully understood by all parties, appraisals were carried out properly and within the appropriate time, appraisal results were taken into account when administrative decisions affecting the workforce were made and the appraisal system was evaluated periodically to ensure that it was adequately achieving its objectives *[A/36/30, paras. 220-222]*. ICSC also affirmed that performance appraisal systems quickly became meaningless if they did not differentiate among different levels of performance and that objective criteria for differentiation were those related to the work of the position. Ideally, supervisors should each be given the liberty to identify differing levels of performance by reference to established objective criteria, without restrictions on the frequency with which different evaluations were to be employed. However, the experience of virtually all organizations was that, given such leeway, differing levels of performance were not identified. ICSC concluded that steps had to be taken to ensure that supervisors differentiated between levels of performance and that the most appropriate means of achieving this in the common system would be to require the use of a distribution by quartiles, according to four levels of evaluation, of those staff members who had met performance objectives during the appraisal period (those who had not met most objectives would be placed in a fifth level of evaluation) *[A/36/30, paras. 223 and 224]*.

ICSC also approved and recommended a **common system performance appraisal form** (see A/36/30, annex X), which it believed most closely followed the policy principles it had established. Each organization would formulate instructions regarding the use of the appraisal form in conformity with other internal procedures and in consideration of other factors, such as the timing of appraisals throughout the calendar year and the size of the organization unit to which the quartiles would apply. It recommended that the new appraisal system and form be put into effect on 1 January 1982 and requested organizations to report at the 19th session (spring 1984) on their experience after two years' operation of the system *[A/36/30, para. 226]*.

1986 **24th session (July)**: ICSC considered a report by its secretariat on a number of aspects of performance appraisal and recognition of merit, as well as on the discussions of a tripartite working group convened by ICSC in April 1986. Existing performance appraisal systems and common areas of agreement among the organizations on improvements to be considered were reviewed *[A/41/30, para. 210]*. ICSC reaffirmed the general principles and objectives of performance appraisal as identified in its sixth and

seventh annual reports and requested its secretariat; (a) to develop a broad framework of principles, providing organizations with general objectives and guidance for performance appraisal, for consideration at its 26th session; (b) to identify consequences for staff of different levels of performance, including appropriate recognition of merit, to provide guidance for staff to improve performance and to recommend sanctions for unsatisfactory performance, for review at the 26th session; (c) to examine the application of performance appraisal within the broader context of human resources planning (for consideration at the 28th session) *[A/41/30, para. 217]*.

1987 **26th session (July)**: ICSC considered a document prepared by its secretariat proposing a set of 11 principles and associated guidelines for performance appraisal and considerations that should guide recognition of merit *(A/42/30, annex XV)*. It recommended that: (a) the organizations should take into account the performance appraisal principles and associated guidelines and regularly appraise the performance of all staff members at least up to and including staff at the D-1 level; (b) the organizations should also take into account the principles and associated guidelines concerning appropriate consequences for different performance levels; (c) where necessary, the organizations should actively set targets to have their performance appraisal systems consistent with the performance appraisal principles and guidelines as soon as reasonably possible, but in any event no later than 1 July 1992; (d) the organizations should send their performance appraisal and recognition of merit plans, systems and forms to the ICSC secretariat for appropriate consultations *[A/42/30, paras. 297 and 305]*.

ICSC recommended that appropriate action should be taken by organizations to deal with different levels of performance. Cash awards was one of the methods suggested for staff where performance over a single appraisal period on all the important elements of the job exceeded expectations *[A/42/30, annex XV, para. 28 (b) (iv)]*.

By **resolution 41/213**, the GA requested the SG to transmit a number of recommendations of the "Group of 18" to ICSC for advice. In response to recommendation 50, ICSC recommended that the UN should take into account the framework of performance appraisal principles and guidelines adopted by ICSC at its 26th session *[A/42/30, para. 45 (f)]*.

By **resolution 42/221**, the GA took note of ICSC's recommendation.

1989 **30th session (August)**: After reviewing the report of the Working Group established to assist in carrying out the comprehensive review (see section 2.1.90) in the area of motivation and productivity, ICSC decided to reiterate its previous (1987) recommendation that cash awards be used to reward one-time performance with a single payment involving no permanent costs. Such awards might, for example, be considered for staff whose performance over a single appraisal period exceeded expectations on all (or exceptionally, some) of the important elements of the job. Repeated awards could be used for sustained superior performance if organizations had no other means to recognize such performance. ICSC also recommended that organizations: (a) ensure that groups, as well as individuals, were equally eligible to receive such rewards; (b) introduce, as appropriate, non-monetary awards such as service pins, plaques and certificates of achievement in line with its earlier recommendation; (c) introduce, to the extent possible, environmental motivators in the areas of security, health, education, and briefing, and other work-related conditions. ICSC also decided to monitor the granting of cash awards and requested the organizations to report on action taken thereon to the 34th session *[A/44/30, vol. II, para. 357]*.

By **resolution 44/198**, the GA invited the organizations to introduce the ICSC's recommendations in respect of non-monetary awards and environmental motivators, and asked ICSC again to review performance evaluation systems in the organizations with a view to ensuring that such systems were objective and transparent and to tying withingrade step increments and promotions to merit rather than primarily to longevity.

1991 By **resolution 46/191**, the GA recalled its previous requests in the area of motivation and productivity of staff, and invited ICSC to pursue, as a matter of priority, its review of merit systems and performance appraisal in the UN system as a vehicle for enhancing productivity and cost-effectiveness.

1992 **35th session (March)**: In addressing the above requests, ICSC reviewed a note prepared by its secretariat *(ICSC/35/R.15)* containing the outline of a study in the area of performance recognition, and evaluation both within and outside the UN common system. It endorsed the outline of the secretariat's study and looked forward to receiving a comprehensive report *(ICSC/35/R.17, paras. 164-169)* at its 36th session. Note: In reviewing the draft agenda for its 36th session, ICSC decided to defer consideration of this item to the 37th session.

1993 **37th session (March)**: ICSC reviewed: (a) an overview of performance appraisal and merit recognition systems in the UN common system, along with an analysis of certain key issues in this area, some general conclusions and a proposed timetable for the development and introduction of reward and recognition programmes in the organizations; (b) a chronological summary of prior consideration by ICSC of the areas of performance appraisal, recognition of performance and the enhancement of motivation and productivity. This documentation prepared by the ICSC secretariat, is found in *ICSC/R.15 and Add.1*; a summary of the documentation was also made available. ICSC noted that the documentation before it was in the nature of a stock-taking exercise; specific outputs would be before it at the next session. It took note of the information presented and requested its secretariat to prepare for the 38th session revised/updated guidelines for performance appraisal, a framework for reward/recognition programmes in common system organizations, and a generic performance evaluation training module, together with a timetable for implementation *[ICSC/37/R.18, paras. 191-198]*.

38th session (July): ICSC examined a proposed package of performance management measures developed by the secretariat along the lines indicated above. Noting that studies would be undertaken in 1994 with regard to the application of the Noblemaire principle which would not be limited to the area of remuneration but would encompass complementary human resources management aspects, ICSC concluded that it would be more appropriate to bring that package forward in the context of those studies *[A/48/30, paras. 207 and 208]*.

The GA, in **resolution 47/216:** (a) recalled its requests in resolutions 45/241 and 46/191 that, as a matter of priority, ICSC resume active consideration of the substantive areas covered under articles 13 and 14 of its statute and, notably, review merit systems and performance appraisal in the UN common system; (b) noted, *inter alia*, the inclusion of studies on performance appraisal and the recognition of merit in the work programme of ICSC for 1993 and 1994; (c) urged ICSC, as a complement to studies being undertaken in the remuneration area, to give equal attention in its work programme to measures designed to promote sound personnel management in the international public service, including recruitment forecasting, human resources planning, performance management and staff development and training.

1994 **40th session (June/July)**: ICSC had before it a performance management package consisting of: revised principles and guidelines for performance appraisal and management and for the recognition of different levels of performance; a framework for reward and recognition programmes; measures to deal with unsatisfactory performance; and a series of generic training modules for performance appraisal.

In considering the different elements of the performance appraisal and management package before it, ICSC formulated the following conclusions:

Principles and guidelines for performance appraisal and management and for the recognition of different levels of performance The 1987 principles and guidelines had been well received by the organizations, and with a few exceptions, the design of organizations' performance appraisal systems conformed to them. But it was equally clear that significant problems remained in the application of a number of systems. The principles and guidelines had therefore been updated with a view to underscoring the continued importance of properly functioning appraisal systems, focusing on problems of application and reflecting emerging trends in a rapidly evolving field. The major new elements introduced were: (a) a stronger focus on the importance of a performance-related management environment in which senior management set the tone in reinforcing the credibility of performance appraisal and management; (b) greater emphasis on the need for full transparency and understanding of the system at all levels; stronger insistence on the need for objective and rigorous appraisal of performance at all levels; introduction of the concept of competencies (i.e., generic standards of knowledge, skills and abilities applicable to job groups) as a complement to task-based performance appraisal schemes.

ICSC emphasized, however, that the publication of those principles and guidelines would not, in itself, produce viable performance appraisal and management systems: that much was evident from the experience with the 1987 guidelines. If real headway was to be made, organizations had to be firmly committed to changing the way they recognized performance and prepared to dedicate the necessary resources to that end.

Measures for dealing with different levels of performance ICSC recalled that, in 1987, its principles and guidelines had been accompanied by a recommended series of consequences for different performance levels. It reaffirmed, as a principle, the need to recognize different levels of performance, including meritorious performance. The question was how that should appropriately be done in the international civil service.ICSC noted that merit recognition was a useful human resources management tool because it sent a message to the workforce as a whole that the organization placed a premium on quality and excellence in performance and thus motivated all staff to perform better, thereby improving morale and productivity. Merit systems were, however, no substitute for a fair and adequate compensation system and should not be considered as compensating for salary levels that were perceived as inadequate.

ICSC analysed extensive information regarding the use of merit-based pay and merit awards, both within and outside the UN system. It noted that merit recognition schemes of various kinds, ranging from award systems to full-fledged pay-for-performance, were now in widespread use by employers in both the public and the private sectors. Compensationsetting approaches varied from totally seniority-based systems to merit-based pay systems (also known as "performance pay" or "pay for performance") whereby a proportion of the employee's pay was placed "at risk" to be granted on the basis of an assessment of merit. That assessment might be arrived at through a comparative ranking or forced distribution or by granting merit pay awards to all staff achieving certain performance levels. ICSC noted that the current UN system pay structure provided for a scale of grades, through which a staff member progressed by means of promotion; salary progression within a given grade was by means of predetermined increments, granted subject to satisfactory performance on an annual (in some instances, biennial) basis. While nominally performance-based, the system was in practice more seniority-driven than official policies and provisions would indicate; the performance of only a minuscule proportion of staff was rated unsatisfactory and this had resulted in the within-grade increment becoming a quasi-automatic right, as opposed to a reward for satisfactory performance.

ICSC noted that merit-based pay had the potential for forging more performance-driven overall organizational behaviours. However, experience had shown that unless meritbased pay was introduced in the right environment, it did not achieve the intended results. A prudent approach was therefore

necessary. ICSC concluded that the approach that would best meet the needs of the common system as a whole at the current stage would be the introduction of recognition and reward measures for outstanding performance, coupled with appropriate measures for dealing with cases of underperformance and poor performance. It was of the view that performance management programmes should be based on a forced distribution approach. The core assumption of any ratings distribution should be that the majority of staff were rated at a level corresponding to satisfactory performance/full performance or the like. It was essential to remove the prevalent perception that "satisfactory" was synonymous with "mediocre": staff performing "satisfactorily" were conforming to the standards of the Charter of the United Nations and could expect a normal career progression. In that context, ICSC noted again the linkage between performance appraisal, merit recognition and human resources planning, and the need to put in place career management systems that would take the weight off the performance appraisal process and respond to the concerns expressed by staff about career stagnation.

Performance appraisal rating systems should provide for at least three levels of performance: full performance, above full performance and underperformance. Whether organizations wished to introduce refinements of the latter two categories would depend on their individual circumstances. Assuming a five-level system, a distribution of performance levels was suggested *[A/49/30, annex VIII)*.

Recognition and reward measures ICSC noted that measures granted in recognition of meritorious performance were basically of two types: non-cash awards and cash awards. ICSC took note of the statements by organizations as to the current status of their efforts to improve their performance management systems, which seemed to confirm that emphasis was being placed on establishing sound performance appraisal systems as a *sine qua non* for merit recognition programmes. In order to move forward the process of performance management reform, ICSC concluded that it would be appropriate to make more specific recommendations for recognition and reward programmes for those organizations that wished to introduce them. In that connection, it noted the statements by several organizations that they did not envisage introducing merit awards, particularly of a cash nature, in the near future. ICSC therefore agreed to recommend parameters for organizations wishing to introduce recognition and reward programmes. In so doing, ICSC reiterated its earlier recommendation that cash awards should be lump-sum, nonpensionable bonuses, rather than additional within-grade increments and recommended that organizations that currently granted merit increments should discontinue them in favour of lump-sum bonuses.

ICSC noted that the formula it was recommending would yield a uniform amount for staff in the P and higher categories, irrespective of duty station. For the GS and related categories, the amount would vary by location. ICSC recommended that the amount of awards should not exceed that for the P and higher categories (i.e., where application of the formula would lead to a higher amount for GS and related category staff, a cap should be set at the amount for P and higher category staff). The system of awards should be introduced on a trial basis for two years. Experience with the system should be reviewed thereafter. ICSC requested its secretariat, in consultation with the CCAQ secretariat, to develop a mechanism for monitoring and reporting on the operation of performance management systems, including recognition and reward programmes. It considered it desirable that reports on the subject should include feedback from the staff. It emphasized that initiatives in the area of performance management should be developed in close consultation with the staff representatives of the organizations. ICSC emphasized that the awards should reflect the team approach which it saw as particularly beneficial in a multicultural workforce like the UN system and strongly recommended that it be a major focus of both monetary and non-monetary awards. ICSC further noted the value of **incentive-type awards**, both individual "suggestion" type schemes and **group incentive schemes.** Group incentive plans must, however, be carefully designed and administered and should be integrated

within a broader process of management improvement and reform. It should be possible to use part of the savings generated from successful group incentive programmes to fund reward and recognition programmes as a whole. ICSC also noted the value of **special contribution awards**. As to the use of personal promotions in that context, ICSC recalled that in 1993 it had reaffirmed the possible use of personal promotions in certain specific circumstances. It did not, however, in general advocate the use of personal promotions, and felt that the introduction of reward and recognition programmes could reduce the need for personal promotions.
ICSC noted that, under its recommendations, awards of any type, whether to individuals or teams, would be limited to a maximum of 5 per cent of an organization's workforce. In the light of experience with similar schemes outside the system, ICSC noted the need for overall management control of such programmes and recommended that an annual ceiling on their cost should be set at 0.1 per cent of total standard costs.

ICSC wished to emphasize that, unless organizations were contemplating a major reform of their human resources management and performance management systems, they should not embark on merit award systems.

Consequences of unsatisfactory performance ICSC emphasized that performance appraisal systems were not designed to punish poor performers but rather to optimize performance at all levels. The fact remained, however, that there would always be a small minority of staff whose performance was not up to standard. ICSC concluded that the introduction of new procedures for dealing with cases of unsatisfactory performance was unnecessary; the problem lay with the application of existing procedures. Crucial to the proper treatment of underperformance was early detection and corrective action. Supervisors should not wait until the end of the appraisal period to inform staff that their performance was not up to scratch but should provide them with corrective feedback, counseling and coaching on a regular basis. The most effective cure for underperformance was prevention. The application of rigorous recruitment procedures, including structured interviews, would tend to lessen recruitment errors; conscientious monitoring of performance during the probationary period was also essential. The fewer poor performers that were recruited into, or retained in an organization, the easier it would be to apply sanctions in the rare cases that did occur. If an organization had reason to believe that it had a significant segment of staff performing below par, it might wish to take other measures to supplement those outlined above, e.g., attitude surveys.

Training for performance appraisal ICSC considered a series of proposed generic modules for training in performance appraisal that had been developed in conjunction with the organizations. It endorsed the modules as an integral part of the performance management package it was recommending to the organizations *[A/49/30, annex VIII]*.

ICSC: (a) invited organizations to assign high priority to the improvement of performance appraisal systems, as appropriate; (b) approved the modules for training in performance appraisal *[A/49/30, annex VIII]* and recommended their application in the organizations; (c) reaffirmed the importance of objective performance appraisal systems as a tool for performance management and improvement and, to that end, the need for performance to be evaluated realistically, objectively and rigorously, on the basis of accepted performance standards and competencies; (d) approved the revised guidelines for performance appraisal and management and the recognition of levels of performance *[A/49/30, annex VIII, paras. 1-22]* and recommended them for application by the organizations; (e) recommended that organizations wishing to introduce merit award schemes as part of their initiatives to enhance performance appraisal and management should do so within the following parameters: (i) merit awards should be limited to staff whose performance had been adjudged, on the basis of rigorous performance appraisal, to be truly outstanding; such staff should not exceed 5 per cent of an organization's workforce; (ii) merit awards might take the form of either a lump-sum non-pensionable bonus in a

maximum amount of half a month's net base salary at the mid-point of the applicable salary scale or a non-cash award of up to the same amount or symbolic-type non-cash awards *[ibid, paras. 33-49]*; (f) approved the measures for dealing with cases of unsatisfactory performance *[A/49/30, annex VIII, para. 50]* and recommended them for application in the organizations; (g) decided to bring the results of its consideration of the matter to the attention of the GA at its 49th session, and of the legislative/governing bodies of other common system organizations, for appropriate action within the guidelines established by ICSC; (h) requested its secretariat: (i) to present a follow-up report on performance appraisal and recognition, including the application of recognition and reward programmes, at ICSC's 45th (spring 1997) session; and (ii) to continue in the meantime to study other merit-based approaches to pay-setting and to report thereon to ICSC, as appropriate *[A/49/30, paras. 292-293, 347, and annex VIII]*.

By **resolution 49/223**, the GA reaffirmed the key importance of performance appraisal and management to enhanced organizational effectiveness; and urged the organizations of the common system that had not already done so to give high priority to the development of viable performance management programmes, including performance appraisal systems, in the broader context of personnel reform.

1996 In **resolution 51/216**, the GA: (a) requested the UN/SG to make operational proposals to the GA by 1 October 1997, for its consideration at its 52nd session, on the possibility of introducing a system of performance awards or bonuses, in the context of the performance appraisal system, to a limited number of staff in recognition of their outstanding performance and specific achievements in a given year; (b) invited the executive heads of the organizations of the UN common system to develop and submit proposals to their relevant intergovernmental bodies, as a matter of priority, on the possibility of introducing performance awards or bonuses to a limited number of staff in recognition of their outstanding performance and specific achievements in a given year, and to coordinate, to the extent possible, these proposals with those developed by the UN/SG; (c) requested ICSC to provide general comments on the concept of performance awards and bonuses to the GA at its 52nd session; (d) decided that the above requests should apply in respect of staff in both the P and higher categories and the GS and other locally recruited categories.

1997 **45th session (April/May):** ICSC reviewed the experiences organizations had made with the performance management packages developed by ICSC in 1994. In resolution 51/216, the GA had invited ICSC to provide general comments on the concept of performance awards and bonuses to its 52nd session. In the same resolution, the GA had requested ICSC to "take the lead in analysing new approaches in the human resources management field so as to develop standards, methods and arrangements that will respond to the specific needs, especially future staffing of the organizations, *inter alia*, consideration of flexible contractual arrangements, performance-based pay, and the introduction of special occupational rates, and to report to the GA thereon at its 53rd session."

ICSC requested its secretariat to develop a framework for performance management schemes in the common system, for submission at its next session *[ICSC/46/R.10, paras. 167-191]*.

46th session (July): Following a comprehensive review of the issue, ICSC decided to replace the recommendations on cash awards as contained in its 1994 annual report with the following: **Cash awards** to any individual for given performance period should not exceed 10 per cent of the mid-point of the base/floor salary for P staff and 10 per cent of the mid-point of the net salary for GS staff, with a cap at the amount for P staff in case the amount for GS staff would otherwise be higher. **Performance awards and bonuses** should not be payable to more than 30 per cent of the workforce. Non-cash awards should be subsumed within the ceiling; however, symbolic awards, letters of appreciation and the like could be considered in addition to the ceiling and should be granted in conjunction with non-cash or cash awards. The **amounts** of awards should be differentiated according to performance level,

with higher amounts payable to those rated as outstanding. The **overall cost** of a recognition and reward programme should not exceed 1.5 per cent of an organizations's projected remuneration costs (i.e., net remuneration for P and higher category staff, salaries for the GS and related categories). The **basis** for determining who receives an award should in principle be the ratings deriving from the performance appraisal system. That determination might be supplemented by the findings of a merit review board, performance review group or similar body that would screen recommendations for merit awards.

ICSC further decided that any pay-based approach to performance recognition should be introduced on a pilot basis and that such schemes should be developed in close consultation with the ICSC secretariat.

On the basis of its review of the management of **underperformance**, ICSC considered that the identification and proper treatment of unsatisfactory performance should be part and parcel of an organization's performance management strategy. Performance improvement measures should be integrated more explicitly into performance management strategies. In the small number of cases where staff were not performing up to par, it was important to tackle the problem promptly and forthrightly in order to preserve the credibility of the system, the reputation of the organization and the motivation of the staff as a whole. Early detection and corrective action was crucial to the proper treatment of underperformance, while prevention was the best option. ICSC defined the **roles and responsibilities** of the different parties as follows: staff members bear primary responsibility for their on-the-job performance; individual staff members were expected to accept responsibility for tackling performance problems and should discuss with the supervisor/manager any factors impeding their performance at full capacity. Senior **managers** should show by their own actions that they take performance management seriously as an integral part of the organizations's human resource management strategy. Managerial and supervisory staff should model the behaviour they expect of their staff, ensure that tasks and standards are clearly articulated and provide constructive ongoing feedback and identify and develop options and strategies for positively influencing performance. ICSC further considered that performance appraisal should incorporate a predefined performance plan; that if the performance appraisal showed to be below the fully acceptable level described in the performance plan, the staff member's within-grade salary increment should be delayed or withheld. If, after a reasonable period of time (e.g., one year), the staff member's performance remained unsatisfactory, further action needed to be taken in the light of the circumstances of the case. Proper documentation of incidents of poor performance and corrective action recommended at every stage was crucial and ultimately, perhaps, was the key to the successful management of underperformance. Managers should be fully apprised of procedures and processes; information and training in that regard should be an essential component of managerial and supervisory training. ICSC strongly encouraged the use of procedures that involved performance ratings being assigned by others in addition to the staff member's supervisors. ICSC also considered that the use of multi-base assessment techniques could do much to foster a climate of openness, transparency and trust.

ICSC requested organizations to present biennial reports on their performance management schemes, including the utilization of cash awards, using a format to be developed by the ICSC secretariat in consultation with the organizations. ICSC requested its secretariat to complete and circulate to the organizations and staff a portfolio of best practice in the area of performance management *[A/52/30, paras. 167-219]*.

In **resolution 52/216**, the GA welcomed the comprehensive information provided by ICSC and invited the executive heads of organizations of the common system to develop their performance management programmes within the parameters set by ICSC in paras. 213 and 219 of its report *[A/52/30]*.

2003 **57th session (July):** In the context of the review of the pay and benefits system, the Commission considered the question of the establishment of a broadbanding system. Broadbanded systems, where they exist, generally operate in the context of pay-for-performance systems. [A/58/30 paras. 36 & 37). ICSC considered document ICSC/57/R.2/Add.2 on qualitative and quantitative information on performance management in the common system. It took note of the status of the organizations' performance appraisal systems and decided to move forward with the pilot study as follows:

(a) It recognized the need for a full-time project manager and requested its Chairman to pursue the recruitment of such a manager, subject to the necessary resources becoming available. A task force should be established, led by the ICSC secretariat and involving all organizations and staff representatives, to pursue the further development of reform concepts. A comprehensive project plan should be developed to guide the preparation for and conduct of the pilot study. The plan should include a communication strategy addressing the needs of all interested parties;

(b) It further requested its secretariat, in consultation with administration and staff representatives, to present it with proposals on the conduct of the pilot study that would:

(i) Develop measurements to assess the readiness of the volunteer organizations to undertake the pilot study and adjust the commencement date for the pilot accordingly;

(ii) Determine how long the pilot study should continue in order to adequately evaluate all aspects of the tests and recommend a duration for the pilot study;

(iii) Permit a real rather than a virtual test of pay for performance that at the same time would address any legal and/or administrative impediments;

(iv) Appropriately take into account the dependency status of staff in constructing the pilot study salary structure;

(v) Develop proposals for a salary structure that would reduce or eliminate the overlap of the salary bands that is created by use of the current grade structure to create the bands. Include proposals for placing staff into such a structure upon commencement of the study;

(vi) Present concepts for a confluence approach that gives greater weight to results achieved in relation to established objectives while integrating demonstrated competencies and client feedback into a single assessment. Pass/fail ratings should not be used;

(vii) Consider the administration of promotions in the models chosen for testing;

(viii) Establish baseline data prior to the commencement of the pilot study for comparison purposes in measuring the success of the study;

(ix) Further develop the criteria for the measurement of the success of the study [A/58/30, para. 86].

2004 58th session (March): The Commission also considered a number of technical details including, pay differences in the pay ranges for single staff and those with dependants, progression within the ranges, the percentage of increase upon promotion.
The Commision decided:
(a) For the duration of the pilot study each broadband would have two salary ranges, one for staff with dependants and one for staff without dependants. Staff would be placed into either the single or dependency range based on their current status and at their current salary. The staff member would

progress through the salary band on the basis of performance, competency development and client feedback;
(b) For the purpose of the pilot study, the minima and maxima of the base/floor salary scale in effect would be used to establish the new salary bands;
(c) Performance award amounts could be granted during the pilot study in salary increments of base pay or in the form of non-pensionable lump sum amounts for staff who had reached the maximum of their band. To maintain cost neutrality, the total awards granted would not exceed the budgetary limits specified in paragraph 126 (h) of ICSC/56/R.11 (estimated at 2.5 per cent of salary on an annual basis in the context of models 1 and 2 and 2 per cent for model 3);
(d) For the purpose of the pilot study, a promotion increase from one band to the next higher band should result in an increase from 3 to 6 per cent of net base salary but not less than the amount necessary to bring the individual to the minimum of the next higher band;
(e) To avoid "salary creep", where all staff in a band progress to the maximum salary, the following alternatives should be further developed with the volunteer organizations for application in the pilot study: (i) Setting performance objectives to reflect the responsibilities of the job; (ii) Setting salary control points to slow down the progression through the band;
(f) For model 1 (the confluence approach), the volunteer organizations could review results achievement annually and they should have the flexibility in determining the frequency (annual or biennial) of the evaluation of competency development and client feedback;
(g) The exact percentages for the weighting of the factors (results achievement, competency development and client feedback) should be decided in consultation between the ICSC secretariat and the volunteer organizations with results achievement receiving the greatest weight;
(h) With regard to the baseline data: (i) Workforce data, results of attitude surveys and ranking distributions under current appraisal systems should be in hand before the commencement of the pilot study on 1 July 2004; (ii) To the extent possible, client feedback mechanisms and competency development linked to development plans should be in place before the commencement of the pilot study on 1 July 2004; however, further development after commencement should not delay the initiation of the study; (iii) Control groups will be established for the testing programme, preferably within the volunteer organization; (iv) The participating group of staff in the pilot study should be selected by the volunteer organizations, within the framework as described by the Commission in paragraph 158, after consultations with the ICSC secretariat;
(i) With regard to the project work plan and project manager: (i) The work plan for each volunteer organization should be developed and the work plan shown in annex VII of document ICSC/58/R.5 and Corr.1 should be used as a template for each volunteer organization; (ii) The duration of the pilot study, as shown in the work plan, will initially be limited to a three-year period, subject to the Commission's decision on an extension, if any; (iii) A project manager with demonstrated expertise in successful implementation of human resources reforms such as pay for performance and broad banding, should be appointed as soon as possible;
(j) With regard to the criteria for success, the following should be included: (i) A cost analysis that provides an assessment of the financial controls to determine if the controls are functioning as intended; (ii) An analysis of salaries to determine if any gender bias resulted from pay for performance;
(k) The organizations participating in the pilot study will be limited to those identified and approved by the Commission at its fifth-eighth session, namely, WFP, IFAD, UNAIDS and UNDP [ICSC/58/R.12, para. 162].

59th sessions (July): A number of organizations (Joint United Nations Programme on HIV/AIDS (UNAIDS), United Nations Development Programme (UNDP), World Food Programme (WFP) and International Fund for Agricultural Development (IFAD)) had previously volunteered to test the new approaches and had been approved by the Commission. After the Commission's fifty-eighth session (spring 2004), UNESCO volunteered its International Centre for Theoretical Physics in Trieste, Italy,

for inclusion in the study and the Commission delegated to the Chairman a decision on that request in order that UNESCO's participation in the pilot study might proceed in an orderly manner. The Commission also considered the groups of staff to be included in the study.
The Commission decided that:
(a) UNESCO' s International Centre for Theoretical Physics in Trieste, Italy, could participate in the pilot study as a volunteer organization, subject to a review of the human resources subsystems in place and an analysis of the readiness of the Institute to proceed with the study by 1 January 2005. The Commission further decided to delegate to its Chairman the decision on the readiness of the Institute and its participation in the study. The ICSC secretariat was requested to provide an update on this matter concerning the possible inclusion of the Centre in the pilot study at the Commission's sixtieth session (spring 2005); (b) It would reaffirm that staff in the Professional and higher categories would represent the basis for the pilot study, including other Professional staff subject to the same job evaluation standard, that is, as promulgated on 1 January 2004; (c) It would agree that the volunteer organizations could include staff in the General Service and related categories in the study on the basis of model 3 subject to individual requests and approval by the Commission. [A/59/30 (Vol. I), para. 51]
Note: The reference to model 3 above is to the use of the current salary structure without steps and movement through a grade based on performance.

The General Assembly:
1. Noted the information provided on the pilot study on broad banding and pay-for-performance; 2. Also noted that if all three models of the pay-for-performance system were not tested, this could diminish the value of the pilot project and requested the Commission to keep this in mind in its further consideration of the issue, and encouraged volunteering organizations to test all three models; 3. Recognized that an effective and credible performance appraisal system is the key for the possible introduction of a pay-for-performance system, and requested the Commission to ensure that the performance appraisal systems in volunteer organizations are developed, in full consultation with staff members, and are clear, effective and credible for all the parties concerned, including Member States; 4. Looked forward to receiving from the Commission annual updates on the pilot studies on broad banding and pay-for-performance; 5. Decided that no new strategy or pilot project in broad banding or pay-for-performance should be undertaken until the General Assembly has had an opportunity to review the results of the pilot study on broad banding and pay-for-performance being conducted by the Commission; 6. Requested the Commission to report on the contemporary rationale for separate salary scales for single staff and those with dependants in the context of its report on pay and benefits review; [A/RES/59/268, Section I.A.]

2005 61st session (July): Since the Commission's 2004 sessions, further developmental work had proceeded on human resources subsystems specified under some of the models approved by the Commission for application in the study [A/59/30 (vol. I), annex II]. The Commission reviewed the current status of the study on the basis of information provided by its secretariat, the volunteer organizations participating in the study and the consultants assisting the secretariat and the volunteer organizations.
The Commission decided:
The Commission welcomed the progress report on the pilot study, particularly as it related to the information provided by the volunteer organizations and consultants assisting in the exercise. It found the discussion of the various study issues very useful and was encouraged by the progress made thus far. It was, however, concerned about the direction that some of the test modalities were taking based on its decisions taken earlier and reported to the General Assembly in 2004. It reminded the volunteer organizations that those modalities were the basis on which the study should be conducted and that any deviation from them would require the Commission's prior approval. It requested its secretariat to provide a further progress report on this item at its sixty-second session.[A/60/30, para. 42]

2006 63rd session (July): ICSC reviewed the current status of the study on the basis of information provided by its secretariat, the five volunteer organizations participating in the study and the consultants

assisting the secretariat and the volunteer organizations.
The Commission:
Commended the volunteer organizations for the work done thus far on the pilot study. It decided to report to the General Assembly information on human resources initiatives being tested. The Commission requested that future progress reports address the manner in which each organization complied with the framework for an integrated human resources management [A/59/30 (vol. I) annex II]. Further, each organization should report on its workplan and provide information not only on progress but also on anticipated achievements.[A/61/30, para. 43]
The General Assembly:
1. Took note of the decisions of the Commission contained in paragraph 42 of its 2005 report and paragraph 43 of its 2006 report; 2. Noted with concern that a project manager has yet to be selected in accordance with the terms of reference of the pilot project as outlined in paragraph 86 (a) of the 2003 report of the Commission and of which note was taken by the General Assembly in section I.A, paragraph 2, of its resolution 58/251; 3. Requested the Commission to ensure the dedicated project leadership required for the successful completion of the pilot study;[A/RES/61/239, section 1.A1]

2008 66th session (March): Review of the pay and benefits system: assessment of the pilot study of broad banding/pay-for-performance.
As part of its review of the pay and benefits system, the Commission, at its sixty-sixth session, had before it reports containing a comprehensive evaluation of the broad-banding/pay-for-performance pilot in five volunteer organizations that had been carried out by its secretariat. The Commission considered the next steps and examples of innovative practices on performance management in the United Nations system and in other entities outside the common system, such as national public services and the private sector. The evaluation concluded that for various reasons the pilot project had not met the Commission's criteria for success and had lost direction in all of the pilot organizations. The reasons for lack of progress included an apparent gap between expectations and reality, lack of involvement by all stakeholders, lack of consistency in management focus, competing priorities and lack of the promised support.
None of the piloting organizations had progressed to the point where performance payments were actually made, and in all cases the pilot organizations were still at various stages of developing what the Commission had already defined at the launch of the pilot in 2004 as the absolute prerequisite for introducing performance pay: a credible performance evaluation system that enjoyed the confidence of both staff and management. Above all, the lack of a credible basis for distinguishing among the performances of individuals was the main reason that the project had lost its direction. Other obstacles to the successful implementation of the pilot project included lack of sustained support and resources for the pilot; the fact that none of the piloting organizations had reached the level of preparedness for organizational transformation which broad banding/pay-for-performance implied; the lack of sustained commitment on the part of management in all but one of the pilot organizations, due mainly to changes in the management cadre; the fact that a number of competing performance-improving initiatives were launched simultaneously in the majority of the piloting organizations. The Commission also considered a proposal by the United Nations Development Programme (UNDP) relating to conditions of service applicable to resident coordinators of the United Nations system.
The Commission decided: (a) To discontinue the broad-banding/pay-for-performance pilot as it was originally conceived; (b) To request its secretariat to issue updated guidelines on the granting of steps based on merit; (c) To request its secretariat to provide for its consideration by the sixty-seventh session, an updated performance management framework, taking into account the previous work of the Commission, that could serve as a guide to organizations [A/63/30, para. 25].
Update on performance management
During its review of the broad-banding/pay-for-performance pilot, the Commission had requested its secretariat to issue updated guidelines on the granting of steps based on merit and to provide, for its consideration at its sixty-seventh session (July 2008), an updated performance management framework

that could serve as a guide to organizations, taking into account the previous work of the Commission. The Commission considered a concept paper in this regard.
The Commission decided:
(a) To keep performance management under continuing review; (b) To request its secretariat to upgrade the performance management guidelines set out by the Commission in 1997, with emphasis on the culture and environment and the leadership that must come from the top level of each organization; (c) To emphasize the role of the leadership at the top level in sustaining such a culture and environment; (d) To request its secretariat to monitor developments in the organizations in this regard and provide, as far as possible, value-added assistance to organizations in the form of studies and surveys to be shared among organizations, workshops and other forums for discussions and the sharing of best practices.
The General Assembly:
1. Reiterated the importance of developing mechanisms for better differentiating levels of performance; 2. Requested the Commission to work closely with organizations to identify workable means of rewarding performance; 3. Welcomed the work of the Commission in benchmarking innovative practices in the area of performance management, and encouraged the Commission to keep performance management under review; 4. Requested the Commission to submit an updated performance management framework to the General Assembly;[A/RES/63/251, section A.2]

2009 68th session (March): In line with the Commission ’s decision to keep the subject of performance management under continuing review and its request that the performance management guidelines established in 1997 be updated, the ICSC secretariat, as an initial step, examined the implementation of the guidelines in the organizations of the common system. The secretariat found that most organizations had introduced performance appraisal systems in line with the principles and guidelines set out by the Commission but that, to varying degrees, they had experienced difficulties implementing their performance management systems for the following reasons: (a) Lack of accountability and a collaborative organizational culture; (b) The system’s lack of credibility; (c) Inability to ensure maximum compliance; (d) Lack of commitment to the procedures among staff members; (e) The feeling that there were no consequences attached to performance.
Recalling that the General Assembly had requested the Commission to work closely with the organizations to identify workable means of rewarding performance, the secretariat informed the Commission that consultations with the organizations had already begun. The general consensus among organizations was that performance management was well understood within the organizations and that most had well-structured performance management systems, developed to meet the specific needs of individual organizations. The feeling among organizations, therefore, was that any action in that area should focus on rewards for superior performance and sanctions for underperformance. It was recommended that a joint steering committee of the ICSC and CEB secretariats be established to guide that work.
The Commission decided to: (a) Request its secretariat to work with organizations and staff federations to conduct a common system staff survey on performance management; (b) Establish a taskforce consisting of representatives of the secretariat of the Commission, the Human Resources Network and staff federations to conduct a fact-finding and benchmarking exercise on performance management practices and reward schemes in the common system organizations and comparable institutions and identify issues that had an impact on the effective implementation of such practices and schemes in the United Nations common system, with a view to developing mechanisms for better differentiating levels of staff performance and identifying workable means of rewarding performance; (c) Report to the Commission at its seventieth session, proposing a performance management framework for adoption by the Commission for submission to the General Assembly.[ICSC/68/R.10, para. 30]

2010 70th session (March): Owing to unavoidable delays, including a request by the Human Resources Network to postpone the meeting of the task force referred to in (b) above until such a time as Human Resources Directors had the opportunity of discussing among themselves the strategic issues involved,

the framework was not ready for consideration by the Commission at the seventieth session. Instead, the secretariat provided an update on the work achieved so far, which included the conduct of the staff survey, the conduct of fact-finding missions to organizations based in the most populous United Nations headquarters locations (New York, Geneva, Vienna and Rome), and the first meeting of the task force, early in February 2010. It was suggested that a second meeting of a (smaller and more focused) task force be held to focus more specifically on the systemic impediments to the management of poor performance, where such existed, and for defining ways of rewarding good performance. The Commission was also briefed on the ongoing work in developing a framework which was more closely aligned to the principles and values of the United Nations system, while building on the foundations of the 1994 and 1997 frameworks.

The Commission:

Took note of the work done so far and requested the secretariat to complete its work in an expeditious manner in order that the Commission might consider a final report at its seventy-first session. [ICSC/70/R.14]

71st session (July): The Commission considered a document containing the elements of an updated performance management framework that included, inter alia, proposals for recognition, incentives and rewards which it decided to annex to its 71 sessional report for future reference [ICSC/71/R.18, annex II]. In a staff survey conducted by the secretariat, to which approximately 10 per cent of staff responded, information was gathered on the working environment in common system organizations, including organizational culture, the management of performance and staff perceptions of performance appraisal systems currently in use. Meetings and consultations were held with the aim of fact-finding and benchmarking and included focus groups represented by a cross-section of staff from the organizations.

In the light of those consultations and information-gathering efforts, the approach to the updated framework was to focus on transforming behaviour rather than changing existing processes and concentrate on achieving outcomes, not outputs. The framework was to be conceived as a fair and holistic tool to be used by line managers throughout all the phases of the performance management process. It would stress staff potential and development activities, the underlying premise holding that staff members aspire to achieving excellence in their work and want their jobs to be meaningful. Further, the updated framework would aim at reinforcing the principles set out under the performance management rubric of the human resources management framework adopted by the Commission in 2000: that is, cultivating an environment of trust by emphasizing the need for mutual communication and feedback between staff and managers, and ensuring that modalities to foster career development for staff were in place.

The Commission:

Took note of the effort that had gone into preparing the elements of a performance management framework, which it saw as a work in progress at this stage. The Commission decided to request its secretariat to fine-tune the elements in the framework and present the updated framework in a format that was more accessible and user-friendly at its seventy-second session. It also decided to request its secretariat to conduct further studies on the use of step increments in the common system for recognition and rewards and to report thereon at its seventy-second session. [A/65/30, paras. 46-47]

2011 73rd session (July): The Commission reviewed a refined version of the framework, the elements of which had been presented at its seventy-first session. The framework emphasized the need for staff to work in a supportive and trusting environment and to have a clear understanding of what was expected of them if they were to be engaged and motivated. Certain “enablers” were outlined in the framework for organizations to consider putting in place if performance management was to be successfully implemented. The framework also referred to developing a capable, motivated workforce and linking outcomes to resources. The framework further identified key players and outlined their roles in successful performance management. With regard to reward and recognition for exceptional work, the framework promotes a “culture of appreciation” that would encourage staff members to recognize

colleagues for outstanding work or behavior. It outlined ways of rewarding staff that organizations could adapt to suit their own organizational culture and needs. As requested by the Commission, there were proposals concerning guidelines for the use of merit steps to reward exceptional performance.
The Commission decided:
(a) To submit the revised framework to the General Assembly for its approval; (b) To consider the use of merit steps at a future session. [A/66/20, para. 90 and annex IV]
The General Assembly:
Recalling its resolutions 51/216 and 63/251, Recognizing the differing organizational strategies and cultures prevailing in the United Nations common system, and considering that a flexible approach to performance management would be desirable, 1. Welcomed with appreciation the work of the Commission with regard to the performance management framework, which would assist organizations of the United Nations common system in securing and retaining staff of the highest standard of efficiency, competency and integrity as stipulated in the Charter; 2. Noted that the Commission will continue its work on rewards and incentives, and requests it to take the lead in analysing new approaches in human resources management; 3. Approved the performance management framework contained in annex IV to the report of the Commission, which should be taken into account by the organizations of the United Nations common system in furthering their policies on this matter, and requested the Commission to report to the General Assembly at its sixty-eighth session on the implementation by the organizations of measures taken in response to the recommendations of the Commission; 4. Recalled paragraph 90 of the report of the Commission, noted the intention of the Commission to consider the use of merit steps, and requested the Commission to report on its conclusion to the General Assembly at its sixty-seventh session;

2012 74th session (March): The Commission considered a proposed recognition and reward framework and options for the use of merit steps in common system organizations. The recognition and reward framework was presented as part of the recently approved performance management framework. It was acknowledged that the recognition and reward framework promulgated in 1997 already provided organizations with the flexibility to use a range of cash and non-cash awards of recognizing and rewarding staff for significant accomplishments and exceptional performance. The main theme of this new proposal was that recognition and/or reward programmes stand a greater chance of being successful in the motivation of staff if organizations concentrate on developing a culture of appreciation among staff members. Two new elements were presented for consideration. Firstly, to recommend that organizations endeavour to forge an explicit link between rewards and recognition, on the one hand, and United Nations and organizational core values, on the other. Secondly, the secretariat proposed that recognition of staff be mostly decentralized to supervisors and managers. Staff members would therefore focus on a similar set of values and supervisors and/or managers would be directly responsible for the motivation of those supervised through the delivery of regular sincere recognition and rewarding of staff achievement. Some options for the use of merit steps as a means of rewarding merit were also considered, including: (a) setting out predetermined criteria for eligibility for accelerated steps; (b) changing the frequency for awarding steps; (c) dividing the steps and linking them to performance levels; and (d) discontinuing step increments and making adjustments based solely on performance levels.
The Commission decided:
(a) To encourage the organizations to use the existing recognition and reward framework, including both cash and non-cash awards; (b) That it would take up the matter again when the Human Resources Network had shared the report of its upcoming working group on this issue with the Commission; in the meantime, the secretariat of the Commission would work closely with the Human Resources Network to identify additional means of recognizing exceptional performance.

2015 80th session (March): As part of its comprehensive review of the compensation system, the Commission considered a report of the working group on performance incentives and other human resources issues. Regarding performance bonuses, Commission members agreed that using bonuses to

recognize outstanding performance was preferable to the granting of merit steps because of the impact of steps on pension. The Commission discussed the appropriate percentage of staff that should receive performance bonuses and the level of these payments. Some Commissioners felt that recognition of high performance should be limited to 10 per cent of staff, as rewarding a larger group could not be considered as a reward for the truly outstanding and might lead to some amount of discontent among other staff members. Regarding the amount to be paid as a bonus, the Commission felt that a bonus in the range of 5 per cent to 10 per cent of base salary, without post adjustment, would be meaningful. Various models of progressing through the salary scales, using step increments, were discussed. The Commission eventually decided to modify the granting of within-grade step increments in the following manner: (a) Granting annual increments from step 1 to step 7, and biennially thereafter; (b) Maintaining biennial steps at the D-1 and D-2 levels as per the present system. It was agreed that while it was the Commission's role to set the parameters to be applied in establishing incentives in organizations, the Commission would not adopt a specific performance incentive model, as it was felt that each organization should have the flexibility to design its system according to its unique needs and, indeed, many of them already had robust performance measurement systems. Moreover, for pay-for-performance systems to be effective, there needed to be frequent interventions. These systems should not be allowed to become institutionalized but should change from time to time in order to incentivize different levels and types of staff in accordance with each organization's strategic priorities.

The Commission also discussed an updated version of the performance appraisal and recognition framework that it had first approved in 1997. It noted that there were no significant changes in the overall content of the document. It therefore reiterated the continued validity of the principles contained in the framework.

The Commission decided, inter alia, to recommend to the General Assembly:

(a) To grant within-grade step increments annually from step I to step VII and biennially thereafter, and to maintain biennial steps at the D-1 and D-2 levels as per the current system; (b) To replace the current practice of granting accelerated step increments as an incentive with other cash or non-cash awards;... (d) To maintain the updated performance appraisal and recognition framework and the accompanying training module as set out in annex III to the present report;[A/70/30, para. 279]

The General Assembly:

Decided to grant within-grade step increments annually from step I to step VII and biennially thereafter for grades P-1 to P-5 and to maintain biennial steps at the D-1 and D-2 levels in accordance with the current system, as recommended in paragraph 279 (a) of the report of the Commission; Also decided to maintain present eligibility arrangements for step increments; Further decided to discontinue the current practice of granting accelerated step increments; Requested the Commission to conduct a study on the performance management schemes in common system organizations and to formulate recommendations on performance incentives based on merit that are not related to cash rewards, such as the possibility of accelerated step increments, and invited the Commission to review its recommendations contained in annex III to its report in the light of its findings and to report thereon no later than the seventy-second session of the General Assembly; Also requested the Commission to conduct a detailed study on the budgetary and administrative arrangements necessary for the establishment of a cash reward system, including funding, oversight and accountability mechanisms, and to report thereon no later than the seventy-second session of the General Assembly;[A/RES/70/244, Section III, part 6]

2017 85th session (July): To assist the Commission's considerations of the above request of the General Assembly, the secretariat had sought additional information from the United Nations common system organizations to supplement the earlier information that had been gathered during the course of the comprehensive review of the compensation system. Given that a relatively short span of time had elapsed since the Commission's recommendations to the General Assembly, it was noted that no major changes had occurred with respect to the area of performance recognition and rewards. However, two

revisions to the recognition and rewards framework were proposed for consideration by the Commission with regard to the reintroduction of an overall budgetary cap on rewards and recognition schemes and individual cash awards.

The Commission decided to reaffirm its earlier recommendation to the General Assembly with regard to the proposed principles and guidelines for performance appraisal and management for the recognition of different levels of performance (see A/70/30, annex III), with the following additions:

(a) An overall budgetary cap for cash and non-cash awards not to exceed 1.5 per cent of an organization's projected remuneration costs (i.e., net remuneration for staff in the Professional and higher categories, and salaries for the General Service and related categories);

(b) A limit of up to 10 per cent of net base salary (in the case of international staff in the Professional and higher categories, without post adjustment) for individual cash awards.

The revised proposed principles and guidelines for performance appraisal and management for the recognition of different levels of performance are set out in annex VI.

The Commission also decided that the organizations should use the measures in annex VI as guidelines, subject to their approval by the General Assembly, and urged the organizations to continue their efforts in the area of performance management with a view to improving organizational performance as a whole. [A/72/30, paras. 65-67 and Annex VI).

2019 89th session (July): Overall, the Commission was pleased to note that most organizations had adopted the principles and guidelines for performance appraisal and management for the recognition of different levels of performance and further encouraged organizations to continue. The Commission asked its secretariat to keep it apprised of developments in that regard.

Decisions of the Commission:

The Commission decided:

(a) To bring to the attention of the General Assembly its above discussion;

(b) To request its secretariat to keep it apprised of the general developments taking place in the area of performance management with a view to assessing the need for any changes to the principles and guidelines at the time of its next review in 2021;

(c) To encourage the organizations to conduct more formal evaluations of their performance management systems in order to inform the Commission's future review (A/74/30, paras. 54-55).

By resolution A/RES/74/255 A–B, regarding the conditions of service applicable to both categories of staff, the General Assembly:

Reaffirmed paragraph 1 of section I.B of its resolution 72/255, in which it approved the principles and guidelines for performance appraisal and management for the recognition of different levels of performance,

Urged the organizations of the United Nations common system to continue to abide by these principles and guidelines, and requests the Commission to report on their implementation to the General Assembly at its seventy-fifth session;

SECTION 9.80
MOBILITY OF STAFF

1981 **13th session (March)**: ICSC continued its study of the standardization of the format for organizations' vacancy announcements, a central vacancy announcement procedure and a central career development candidate referral service *[A/36/30, para. 232]*. It considered that the common prospecting procedures it had recommended at its 12th session would be improved by the modification proposed by CCAQ. ICSC therefore recommended that posts be advertised simultaneously within and outside the organization but that they be filled by qualified candidates in the first instance from within the organization; in the second, from other organizations of the common system and, lacking those, from outside the common system. ICSC considered that the advantages to be gained from enhancing **interorganizational exchanges** were many. It therefore concluded that it was essential for the common system to increase the exchange of serving staff between organizations and took the following further decisions, which it considered would enhance such exchanges: (a) adopted a model notice of vacancy form and recommended that it should be used by organizations, beginning 1 July 1981, when advertising vacancies; (b) instructed its secretariat to establish, on an experimental basis, a central vacancy announcement system in which notices of vacancies and relevant details would be collected from the organizations and published expeditiously in a career development bulletin that would be sent to all major offices of the organizations; (c) instructed its secretariat to develop and present for consideration at the 15th session proposals for the operation, on a pilot basis, of a central candidate referral service for career development purposes *[A/36/30, paras. 235 and 236]*.

1982 **15th session (March)**: ICSC recalled UN staff regulation 1.2 and similar provisions in the corresponding instruments of other organizations, which stated that staff members were subject to assignment by the SG or the executive heads "to any of the activities or offices" of the organization. In accordance with GA resolution 35/210, ICSC recommended that the concepts of lateral movement and job mobility be applicable to all staff, be they G or P, in accordance with the nature of their functions. This could be realized through job rotation for G staff and in addition through moves between duty stations, both within organizations and between organizations, for internationally recruited staff. ICSC recalled the far reaching measures that it had recently recommended to the organizations and which were approved by the GA - namely, the classification of duty stations according to conditions of life and work. Such administrative measures, in an approach similar to that of the post adjustment system, endeavoured to even out the impact of reassignments between duty stations for staff, and to create worldwide, equitable terms of employment, thereby enhancing staff mobility.

ICSC, moreover, continued to review financial and non-financial incentives for encouraging staff rotation, in particular assignments from headquaters duty stations, and for removing impediments to mobility, all concerns which were shared by ACC *[A/37/30, Annex I, paras. 48-50]*.

1985 By **resolution 40/244**, the GA requested ICSC to undertake a study of the mobility of P staff in the UN common system including the frequency and average length of their assignments at different duty stations.

1986 By **resolution 41/207**, the GA reiterated the above request and requested ICSC to report on the matter to the GA at its 42nd (1987) session.

26th session (July): Consideration of this item was based on a document *(ICSC/26/R.17)* prepared by CCAQ that contained details of the mobility of staff serving in the 19 common system organizations and programmes, during the period 1980-1985 *[A/42/30, paras. 310- 311]*.

ICSC welcomed the report which provided a significant amount of useful information about the mobility of common system staff, as well as data on number of reassignments for the years 1980-85

and length of service at the current duty station *[A/42/30, annexes XVI and XVII, respectively]*. Members noted that there were several different kinds of mobility: within an organization from HQ; to and from regional offices and other field locations; between regional offices and between field offices. There could also be interorganizational mobility. Members were struck by the wide variations in mobility as between organizations. It was apparent that more interorganizational mobility was desirable and could be encouraged in the interest of the organizations and staff. ICSC agreed that there had not been sufficient mobility of staff from HQ to field locations. In this respect it decided to approve a new mobility element in the assignment allowance *(see section 3.40)*. Members nevertheless pointed out that there were administrative and other measures to promote mobility to which all organizations should have recourse besides financial incentives. It was, however, appreciated that mobility was also dependent to some extent on the programme objectives of the organization concerned. ICSC concluded that there was a need to review further documentation on mobility with a view to determining what further policy options might be required. It decided to bring the information on staff reassignments in the common system to the attention of the GA and the legislative organs of other organizations. In view of the importance of mobility within and between organizations and the difficulties highlighted by the organizations in this regard, ICSC requested its secretariat to analyse these problems further for consideration at its 27th session *[A/42/30, paras. 321-323]*.

1987 By **resolution 41/213**, the GA had requested the SG to transmit a number of recommendations of the Group of 18 to ICSC for advice. In relation to recommendation 49, ICSC emphasized the necessity of encouraging mobility and linking it to career development *[A/42/30, para, 45 (e)]*.

1988 **27th session (March)**: ICSC reviewed a note *(ICSC/27/R.18)* prepared by its secretariat containing a further analysis of the data submitted by CCAQ at the 26th session. ICSC decided: (a) to welcome CCAQ's offer to provide updated statistics on interorganizational mobility to the ICSC secretariat; (b) to request its secretariat to analyse the data further and to separate the figures in order to reflect mobility patterns accurately and to submit its analysis to ICSC at its 28th or a later session in light of its priorities in the work programme *[ICSC/27/R.24, paras. 169 and 176]*.

1989 In the context of the comprehensive review of conditions of service of the P and higher categories *(see section 2.1.90)*, ICSC recommended *inter alia* a new mobility and hardship scheme which is described in sections 3.80 and 4.30. Subsequent reviews of the mobility and hardship scheme are also included in those sections.

2002 **55th Session (July/August)**: The General Assembly in its resolution **55/258** of 14 June 2001 requested the Commission to conduct a comprehensive review of the question of mobility and its implications on career development of staff members in the United Nations system and to report to the Assembly during the course of its fifty-seventh session. The Commission considered information provided by its secretariat on mobility policies in organizations in the common system with reference to other international organizations, national civil services and best practice in the private sector. The Commission noted that the issue of mobility was related to some extent to the organizations policies on contracts and requested its secretariat to develop a programme of work for the future. This programme should address *inter alia*, links between career development and mobility, and provide an analysis of the advantages, disadvantages and obstacles to mobility both for organizations and staff members. Any future work should be developed in accordance with the ongoing work on the review of pay and benefits *(A/57/30, para. 92).*

In its resolution **57/285** the General Assembly took note of the report and requested the Commission to continue to develop its study in this area and to report thereon at its fifty-eighth session.

2003 **57th session (July):** Based on information collected from a range of organizations, ICSC examined various rationales for mobility, constraints to mobility in the common system and a framework for the enhancement of mobility in the system. The framework identified areas where supportive programmes

could be established to enhance internal or intraorganizational mobility, including mobility from Headquarters to the field and vice versa; inter-agency mobility; and mobility between organizations of the common system and other public or private organizations. These programmes would facilitate effective and efficient mobility policies in the common system and could be developed in the following areas: (a) active career management; (b) information technology support; (c) development of a young professionals scheme; (d) transparency of terms of contract; (e) effective recruitment processes; (f) development of induction and orientation programmes; (g) promotion of external mobility; (h) building a culture of mobility; (i) role of the United Nations System Staff College; (j) review of promotions while on inter-agency assignments; (k) amendment of inter-agency agreements; (l) work/family agenda; (m) knowledge management; (n) financial aspects [A/58/30,para. 107].

ICSC recognized that mobility was a key element in the reform efforts of the organizations for developing a more versatile, multi-skilled and experienced international civil service capable of fulfilling complex mandates. Accordingly, ICSC identified four key areas where programmes should be developed to enhance mobility: (a) development of strategies to change organizational culture with regard to mobility; (b) a clear definition of various types of mobility (e.g., rotation, mandatory or optional mobility and intraorganizational, inter-agency or external mobility); (c) terms of contracts which should state conditions of employment, including mandatory mobility, where appropriate; (d) spouse employment [A/58/30, para. 125].

The General Assembly in its **resolution 58/251** recalled section V of its resolution 55/258 of 14 June 2001 and section I.B of its resolution 57/285, and took note of the decision of the Commission contained in paragraph 125 and 126 of its report [A/58/30].

2010 71st session (July-August): The Commission considered a report prepared by its secretariat on inter-agency mobility in the UN common system that provided an analysis of benefits and problems including administrative constraints as well as an overall assessment of issues and practices. The report concluded that despite the fact that there was much support for the idea of inter-agency mobility within the United Nations common system and there had been numerous encouragements and policy statements by the General Assembly and others to increase the degree of mobility, there was very little change to advance in inter-agency mobility between the common system organizations.

Therefore, the report presented three options towards an effective inter-agency policy in the organizations of the United Nations common system, as follows: (a) working to make the One United Nations concept a reality by allowing system-wide workforce planning to manage talent across the organizations and to identify gaps in talent; (b) continuing with the current approach of stressing inter-agency mobility, but recognizing the current extent of organizational autonomy with respect to human resources management; (c) working towards greater harmonization of human resources management policies in order to remove as many barriers as possible to inter-agency mobility. [A/65/30]

The Commission decided:

(a) To review its human resources management framework (2000) with respect to, inter alia, inter-agency mobility, recruitment systems and other human resources elements under its purview;
(b) To urge organizations:
(i) To remove existing administrative barriers to inter-agency mobility;
(ii) To develop strategies to change organizational culture with regard to mobility;
(iii) To integrate inter-agency mobility into their human resource management policies;
(iv) To implement a more structured approach to inter-agency mobility with an emphasis on the staff development aspect;
(v) To promote consistency in the application of secondments;

(vi) To develop appropriate solutions for spouse employment such as negotiating agreements with host countries through the Resident Coordinators and removing restrictions on spouses being employed in the same organization as long as there is no reporting relationship between the spouses;
(c) To request organizations to adhere to the criteria stipulated in the ICSC framework for contractual arrangements in the United Nations common system in granting continuing contracts;
(d) To request its secretariat to conduct a barrier analysis by compiling all barriers to harmonization of human resources management policies in the common system, and also to identify areas where actions had been taken and/or action would be necessary, and report on its findings at the seventy-third session. [A/65/30, para. 27]

The General Assembly, in resolution 65/248, recognized the importance of mobility as a means of developing a more versatile, multi-skilled and experienced international civil service that is capable of fulfilling complex mandates. [A/RES/65/248]

2011 72nd session (March-April): The Commission convened a working group to conduct a review of the mobility and hardship scheme. According to its terms of reference, the Working Group on the Review of the Mobility and Hardship Scheme would consider the following, among other factors: (a) An overall evaluation of the scheme and its operation to determine whether it continued to achieve its purpose and intent; (b) An examination of the effectiveness and impact of the revised scheme on mobility; (c) The rationale for paying a mobility allowance to staff in "H" and "A" category duty stations; (d) A review of the relativities between the amounts applicable to the grade level groupings in order to ensure that the mobility of more senior staff, in particular, was adequately incentivized; (e) An examination of the need to revise the five-year ceiling on the payment of the mobility allowance.

The Working Group met on three occasions and reported on its progress to the Commission following its first and second meetings at the Commission's seventieth and seventy-first sessions, respectively. A report containing the consolidated recommendations of the Working Group was presented to the Commission at its seventy-second session. [A/66/30]

With regard to mobility in the context of the conditions of service applicable to both categories of staff, the Commission decided, inter alia:

(a) That each organization should determine how it can best administer the payment of the mobility and hardship elements;
(b) To request its secretariat to conduct a further assessment of the impact of the revised scheme on mobility once it has been in place for a period longer than a typical assignment length, that is, no earlier than at the time of the third review of the amounts, in 2015;
(c) In accordance with General Assembly resolution 65/248, the Commission requested the organizations and the secretariat of the United Nations System Chief Executives Board for Coordination to work closely with the ICSC secretariat to systematically collect and report on data. This collaborative effort would allow for a more meaningful analysis of the use and impact of specific allowances and other cross-cutting initiatives, such as the harmonization of conditions of service in non-family duty stations;
(d) Not to change the current modalities for payment of mobility allowance for service in "H" and "A" duty stations, at this point in time;
(e) To maintain, for the time being, the current relativities between the amounts applicable to the grade-level groupings in the mobility/hardship scheme;
(f) To maintain the current relativities for single and dependency rates in the mobility/hardship scheme;
(g) To maintain the current five-year ceiling on the payment of the mobility allowance but to permit, in the exceptional case of staff members who remained at the same duty station at the explicit request of

the Organization or for compelling humanitarian reasons, the payment of the full mobility allowance for a maximum period of one additional year;
(j) To maintain a pragmatic approach to reviewing the amounts payable under the mobility/hardship scheme every three years, using inter alia the three adjustment factors as a reference. The Commission noted that the movement of the base/floor salary scale was the most stable factor over time [A/66/30, para. 38]

2012 75th session (July): The Commission reviewed a report which provided an overview of existing mobility policies and practices in common system organizations. The report found that mobility requirements vary considerably from one organization to another, depending on their mandates and the nature of their programmes and activities. Workforce mobility in the organizations of the common system, therefore, could not be viewed in isolation of the context in which the organizations operate. The report concluded that an increase in staff mobility required fundamental systemic changes to the way an organization does business, in terms of human resources management policy and practice, organizational design and budgetary allocation. [A/67/30]

The Commission decided to:

(a) Take note of the information provided by its secretariat on mobility policies and practices in the organizations of the United Nations common system as presented in annex VIII of its 2012 annual report;
(b) Underscore that staff mobility, mandatory and/or voluntary, is an integral element of an effective international civil service;
(c) Urge organizations of the common system to develop a formal mobility policy, through consultations with their staff and governing bodies where applicable, and communicate it to all staff in order to facilitate the execution of the organizations' mandates and support the career aspirations of staff;
(d) Encourage organizations to include in their mobility policy a framework for managing all aspects of staff mobility in accordance with the functional needs of the organization and the principles of fairness, equity, consistency and adequacy of the support given to staff. Mobility requirements should be balanced between the needs of the organization and the career aspirations of the staff and at the same time take into consideration any exceptional special needs of staff and their families;
(e) Highlight the importance of linking staff mobility to career development plans, strategic workforce planning and succession planning;
(f) Provide a definition for the terms related to mobility as set out in annex IX and use a set of indicators to measure and describe the status of mobility in the organizations of the United Nations common system in order to facilitate communication and to aid data collection for future studies;
(g) Urge organizations to make informed decisions on the required level of geographical mobility based on a cost analysis of proposed staff mobility programmes and the identification and assessment of the expected benefits of such programmes;
(h) Request its secretariat to: continue its work on mobility; prepare a comparative study of best practices in the United Nations common system and in other similar organizations; develop a list of the barriers to mobility; and conduct a review of the status of inter-agency mobility among United Nations common system organizations and report on its findings at its seventy-seventh session. [A/67/30, para. 169]

The General Assembly, in resolution 67/257, recalled its resolutions 65/248 and 66/235 A, and took note of the decisions contained in paragraph 169 of the 2012 annual report of the Commission. [A/RES/67/257]

SECTION 9.90
CONTRACTUAL ARRANGEMENTS (TYPES OF APPOINTMENTS)

1979 **9th and 10th sessions (February/March and August):** In the context of its consideration of the questions of the career concept, career development and recruitment, ICSC considered the issue of career and non-career service. It recommended that the proportion of permanent and fixed-term staff should be made on an organization-by-organization basis so as to reflect not only the differing functions and needs of the organizations but also the policy decisions of their own governing bodies; criteria for determining organizations' needs for permanent and fixed-term staff should also be made on an organization-by-organization basis. ICSC informed the GA that in accordance with article 15 of its statute, it would study the types of appointment used within the common system with a view to reducing them *[A/34/30, paras. 201 and 207]*.

1981 **14th session (July):** ICSC decided to recall to the GA; (a) the ICSC recommendation regarding the proportion of permanent and fixed-term staff (see above); (b) the criteria established by ICSC for determining organizations' needs for permanent and fixed-term staff; (c) its intention to study further, in accordance with article 15, of its statute the types of appointment used within the common system with a view to reducing them *[A/36/30, annex I, paras. 34 (a)-(c)]*.

In **resolution 36/233**, the GA requested ICSC, *inter alia*, to report to it at its 37th session on the broad principles for the determination of conditions of service with particular reference to concepts of career, types of appointment, career development and related questions, taking into account the views expressed by delegations in the Fifth Committee, all related studies and the relevant reports of the JIU.

1982 **15th session (March):** ICSC considered recent developments regarding types of appointment and recalled the general agreement of the organizations and ICSC to try to eliminate discrepancies in the designation and conditions of types of appointment *[A/37/30, para. 142]*. It was agreed that the work on types of appointment should take into account the need for the continuing use of fixed-term appointments on secondment and of specialized experience. It was also important to stress that the highest standards of competence, integrity and efficiency were as applicable to staff members on short-term and fixed-term contracts as to those on career appointments. ICSC decided to: (a) instruct its secretariat to continue consultations with the organizations and staff representatives, if possible through a working party, with the goal of reporting back to ICSC in 1984 with proposals on types of appointment; (b) commend to the organizations that they consider proposals tending to establish three basic types of appointment along the following lines: short-term, fixed-term and career; (c) request its secretariat to propose criteria to harmonize the granting of career appointments, including the relevant modalities, but allowing for the reappointment on a fixed-term basis of, for example, staff members on secondment or where renewal of expertise was required; (d) recommend that organizations normally dispense with the requirement for a probationary appointment following a period of satisfactory service on fixed-term contracts *[A/37/30, paras. 146 and 147]*. ICSC noted that any decisions on the concept of career service would have obvious ramifications on the various types of appointment which did and should exist in the common system. It noted that there were more than 14 types of appointment in the common system. Since there was considerable overlap in the types of appointment used by the organizations, and since "short-term" and "long-term" appointments were each defined in at least five different ways, it would appear that the number of types of appointment could well be reduced *[A/37/30, annex I, appendix II, para.55]*. Five years would appear to be a reasonable time for organizations to determine whether a staff member should be permanently retained, or whether the work to be performed was of a continuing nature, and for evaluating the suitability of the staff member. ICSC recalled that it had previously recognized a period of up to five or six years as representing a normal duration for fixed-term employment *[A/37/30, para. 65]*. It recommended that, upon completion of five years of service, an employee he given every reasonable consideration by the employing organization for a career appointment. With regard to staff on secondment, the majority of

ICSC members stressed the need for each organization, in situations when it wished to retain the services of the staff member beyond the period of the initial agreement, to take fully into account the views of the releasing government. ICSC took the view that the recommended policy did not by any means restrict the flexibility of organizations to determine their ratio of permanent staff and fixed-term staff according to the particular needs of their programme: if the ratio truly reflected their operational reality, the phenomenon of long-term staff with short-term contracts should disappear *[A/37/30, paras. 66 and 67]*.

ICSC noted its intention to pursue the development of a common terminology and a standardization of the various existing types of appointment in accordance with article 15 of its statute. It believed that the organizations must come to grips with the practice of granting successive fixed-term contracts over an extended period of time, as this created a climate of anxiety and insecurity among staff which was not in the interest of sound management *[A/37/30, annex I, paras. 29 and 30]*.

By resolution **37/126**, the GA: (a) welcomed the study on the concepts of career, types of appointment, career development and related questions submitted by ICSC; (b) recommended that organizations should establish their needs for permanent and fixed- term staff on a continuing basis in conjunction with the human resources planning process, taking into account the criteria considered by ICSC for this purpose; (c) decided that staff members on fixed-term contracts upon completion of five years of continuing good service should be given every reasonable consideration for a career appointment.

1983 By resolution **38/232**, the GA recommended that the organizations normally dispense with the requirement of probationary appointment as a prerequisite for a career appointment following a period of five years' satisfactory service on fixed-term contracts.

1987 **26th session (March):** By **resolution 41/213**, the GA had requested the SG to transmit a number of recommendations of the "Group of 18" (see section 13.20) to ICSC for advice. In regard to recommendation 45, ICSC welcomed a minimum period of three years for permanent appointments in the UN. In respect of recommendations 55 and 57, ICSC reiterated its previous view that the issue of ratios of permanent to fixed-term staff was for organizations' legislative bodies to decide, on the basis of the different needs of each organization *[A/42/30, para. 45 (h)]*.

By resolution 42/221, the GA took note of ICSC's view.

1989 **30th session (August):** In its report to the GA on the 1989 comprehensive review of conditions of service of the P and higher categories (see section 2.1.90). ICSC noted that in the time available for the review, it was not possible to consider in any depth the conditions of service of short-term Professional staff hired for limited periods of time. They included both technical cooperation project staff and staff regularly appointed on a short-term basis. ICSC was of the opinion that it would be necessary to review, at the earliest opportunity, the desirability of establishing a separate remuneration system for such staff members *[A/44/30, val. II, para. 35]*.

1990 **32nd session (July/August):** ICSC was provided with an outline (ICSC/42/R.9) of the steps that would need to be taken to consider the conditions of service of short-term staff in any depth. A summary of data collected by CCAQ on various groups of staff which may be considered under this heading was also provided to ICSC.

ICSC considered that the item was difficult to address because of the organizations' diverse practices in this regard. There was, indeed, no common definition of short-term staff which hampered the consideration of this item at this time. ICSC concluded that it did not have sufficient information to proceed with its consideration of this item. It therefore welcomed CCAQ’s intent to convene a task force to investigate the matter taking into account organizations ' present and future needs. It looked

forward to receiving a report on the task force's consideration of this matter at its 34th (1991) session *[A/45/30, paras.1644and168-169]*.

1994 **40th session (June/July):** The issue of UN appointments of limited duration (ALD) was discussed by ICSC as a result of a request by the Fifth Committee of the GA for the views of ICSC thereon.

ICSC noted that the UN had developed these arrangements under the 300 series of its Staff Rules as a flexible contractual instrument that would enable it to recruit, at short notice and with minimum overhead costs, non-career staff at both the GS and P levels for the Organization's peace-keeping, peacemaking, humanitarian, technical cooperation and special operational needs. ICSC was also informed that UNDP was applying an ALD scheme on a pilot basis *[A/49/30, paras. 349-351]*.

Following review of the matter on the basis of documentation prepared by the secretariat (ICSC/40/CRP.9) and other information, ICSC decided to advise the SG that the UN Secretariat could proceed on a provisional basis with the new arrangements, on the understanding that the ICSC secretariat would be holding consultations in the coming months between the parties concerned on the range of outstanding issues identified, such as the scope, criteria, replacement mechanisms, job classification aspects, etc. of the ALD arrangements. ICSC decided that it would revert to the subject at its 42nd session, at which time it would focus in depth on the issues involved, taking into account experience with the new arrangements *[A/49/30, paras. 366-367]*.

By **resolution 49/224**, the GA noted the preliminary ICSC conclusions and requested ICSC to report its findings on arrangements for contracts of limited duration to the GA upon completion of its study.

1996 **43rd session (April/May):** ICSC had before it a document by its secretariat (ICSC/43/R.15) which (a) summarized the current status of the UN and UNDP pilot appointments of limited duration (ALD) schemes; (b) attempted to set the stage for a more broadly-based examination of the subject of short-term/non-career/limited–duration employment arrangements by analysing the potential scope of the limited-duration workforce and identifying some of the issues concerned. It was suggested that following the collection of more detailed information and an analysis of organizations' needs, specific proposals on limited-duration employment conditions should be develop by a working group*[A/51/30, paras. 231-232]*.

ICSC decided: (a) to take note of the information provided on the status of limited duration employment arrangements; (b) to invite the secretariat to convene a working group with the participation of representatives of the organizations and staff and with the participation, as necessary, of the secretariat of the UNJSPF, in order to review the range of issue involved and to propose specific recommendations for consideration by ICSC at its 45th session; (c) that, pending the outcome of ICSC's review of the subject, the UN and UNDP ALD schemes should continue on a pilot basis. ITU had introduced on a provisional basis a contractual arrangement known as managed renewable term (MRT) contracts. While conceptually different from the UN and UNDP schemes, this also should be considered as a pilot/demonstration project, all 3 arrangements providing potentially useful sources of information and experience for the ICSC review *[A/51/30, para. 241]*.

In resolution **51/216**, the GA requested ICSC to continue its review of the subject of appointments of limited duration without delay.

1997 **46th session (July):** ICSC took note of the report of the Working Group on appointments of limited duration (ALD) which had proposed a framework for ALD employment by recommending guiding principles, guidelines and a basis for possible remuneration structures. The Working Group met in Paris in April before the spring session and in New York in July 1997 immediately prior to the summer session of ICSC. It undertook an indepth review of the pilot schemes applied by the United Nations

and UNDP, analysed the organizations' current and future needs, and reviewed issues such as the interface with core staff, geographical distribution, pension fund coverage and equity/loyalty .It also reviewed an arrangement in place in ITU for managed renewable-term contracts, conducted detailed comparisons between appointments of limited duration schemes and the standard compensation package, examined workforce statistics and looked into terminological issues. ICSC noted the interest expressed by organizations in some kind of alternative employment framework. There was general consensus in ICSC that ALDs represented a trend also seen in other employers that required both flexibility and swiftness in recruitment in times of limited resources. ALDs proved the vitality of the common system as an employer; both schemes had proved to be prudent models. ICSC agreed in principle that ALD arrangements were an appropriate modality to the extent that the scope of the practice did not impinge on the existence of the international civil service. It endorsed principles and guidelines for the use of ALD in common system organizations, decided that the current ALD schemes should remain in pilot status and that other organizations could proceed on a pilot basis provided that the guidelines and principles were observed and that the secretariat was closely associated with the development of these arrangements. ICSC underscored that the overall time limit of four years for ALDs should be strictly observed, and that appropriate monitoring and reporting modalities should be put in place to ensure that ICSC was kept fully informed on the status and development of ALD schemes *[A/52/30, paras. 233-249 and annex XX]*.

In **resolution 52/216**, the GA endorsed the principles and guidelines for the use; of appointments of limited duration and the decisions of ICSC as contained in para. 249 of "its annual report.

2001 **53rd session (June):** ICSC had before it a document by its secretariat (ICSC/53/R.5) providing a summary of the work undertaken to date by the Commission on the topic and a review of the practices of the organizations and their needs in terms of flexible arrangements.

ICSC considered that the topic was intrinsically linked to the review of the pay and benefits system and should be taken up in that context. It underscored that in the changing environment, mandates and missions are not eternal and that different contractual arrangements are required to respond to different circumstances. It recognized that it was necessary to ensure that there was a cadre of long-serving staff in every organization, however.

ICSC requested its secretariat to make a more complete inventory of the various types of contracts in use in the organizations and to rationalize the nomenclature on the basis of clear description of each type of contract. The final objective would be to provide organizations with a catalogue of contractual arrangements that would be flexible and would offer a degree of autonomy.

2002 **54th Session (April/May) :** ICSC, at its request, was presented with information on groups of existing contractual arrangements in use in the organizations. Four main categories with descriptions of their respective arrangements were identified: indefinite appointments, fixedterm contracts, short-term non-core contracts and external collaboration contracts. The Commission agreed that its secretariat, in close cooperation with organizations, should work at reducing the number of types of contracts currently in use, as well as try to achieve common conditions of employment, in particular regarding social coverage and legal protection *(ICSC/54/R.4 para. 81).*

ICSC concluded that, while there was a need to take into account recent changes in contractual arrangements, it was important to establish a more consistent framework by reducing the number of different contracts and by standardizing their description.

ICSC requested its secretariat to work in close cooperation with the organizations: (a) To prepare a revised document, including an in-depth analysis of the current situation reflecting the comments of the Commission, the needs of the organizations and staff needs for clarity, and, to the extent possible,

more complete and structured information, for its July/August 2002 session; (b) to suggest a new policy on contractual arrangements, with clear justification of the recommended approach. This exercise should be carried out while bearing in mind the organization's need for flexibility (*ICSC/54/R.12, para. 82*).

2003 **57th session (July):** ICSC was presented with proposals for developing a general framework for contractual arrangements within which organizations could operate, including three types of contractual arrangements that would be common to the organizations of the common system. It was also provided with an analysis on the reform of contractual arrangements existing in the International Labour Organization (ILO), the International Telecommunication Union (ITU), the Office of the United Nations High Commissioner for Refugees (UNHCR) and the World Health Organization (WHO). ICSC, taking into account the need for allowing continued flexibility to organizations, requested its secretariat to prepare, in collaboration with the organizations for its fifty-ninth session, a model contract for each of the three categories proposed, namely, (a) continuing appointments, (b) fixed-term appointments, and (c) temporary appointments, with subgroups in each category that would clearly distinguish the key characteristics. Details on the conditions of employment, such as duration of tenure; mobility requirements; the requirement for a probationary period; the procedures for progression to other contract types; the compensation package; social security and health insurance provisions; and procedures for extension and/or termination, should be provided for each subgroup [A/58/30, para. 105].

By its **resolution 58/251**, the General assembly recalled section I.A, paragraph 4, of its resolution 57/285, and noted with appreciation the collaborative process between the Commission and the organizations to develop a general framework for contractual arrangements within which organizations of the common system could operate. It also took note of the decisions of the Commission contained in paragraphs 104 and 105 of its report.

2004 **59th session (July):** ICSC was provided with a model for all three contractual categories, including details on conditions of employment such as: duration of tenure; mobility requirements; the requirement for a probationary period; procedures for progression to other contract types; the compensation package; social security and health insurance provisions; and conditions for extension and/or termination [ICSC/59/R.6].

ICSC noted that the question of contractual arrangements had been on its work programme for several years and that significant progress had been made in categorizing contracts across organizations. It decided to: (a) Report to the General Assembly that there was now a model within which to apply some definition to the varying contractual arrangements across the United Nations common system; (b) Request its secretariat to refine the model in collaboration with organizations and staff and to provide a revised version as well as information on the distribution of all staff in the organizations by contractual category to the Commission at its sixtieth session (spring 2005); (c) Provide a final report to the General Assembly at its sixtieth session on the question of contractual arrangements *[A/59/30, Vol. I, para. 107]*.

The General Assembly, in its **resolution 59/268**, recalled section I.A, paragraph 4, of its resolution 57/285 of 20 December 2002, and noted the intention of the Commission to submit to the General Assembly at its sixtieth session a final report on contractual arrangements.

2005 **60th session (March):** The Commission has examined the question of contractual arrangements on several occasions in accordance with article 15 of its statute. At its sixtieth session, the Commission was provided with a revised model that outlined the framework of guidelines that had been developed for each category in collaboration with organizations and staff [ICSC/60/R.6].

The Commission agreed that there should be no time limits on the continuing appointment and that five-year contractual arrangements should be covered under the fixed-term category. Bearing in mind, however, the desirability of regularly monitoring the provision of openended contracts on a continuing basis, the Commission stipulated that organizations should ensure that their staff rules provide for periodic reviews to confirm the validity of continuation. The Commission also discussed the need to define procedures for moving from one type of contractual arrangement to another. Some members asserted that the definition of such procedures should be unambiguous and should not imply any automaticity of movement from one category to another. They believed that any inference of progression would build undue expectations for staff and would prevent organizations from having the flexibility to successfully manage five-year contracts as it would force them to convert these to continuing appointments. Use of open and transparent selection procedures for movement from one type of contract to another would dispel the notion that there could be an automatic conversion from one contract type to another. These procedures would be defined in the

Staff Rules of the organizations. The Commission confirmed the existence of two types of requirements under temporary appointments; one of a short-term nature for less than one year and the other for functions that could be required for up to four years to accommodate urgent operational requirements for defined periods, such as peacekeeping operations, humanitarian assistance or special projects.

The Commission agreed that it now had consensus on a viable framework that could be implemented by the organizations. It expected the organizations to ensure that their staff regulations and rules of the organizations comply with this broad framework and to adapt them in those cases in which they were not compatible. Accordingly, the Commission decided: (a) To adopt the framework of guidelines for contractual arrangements as amended and set out in annex IV to the present document; and (b) To submit its final report to the General Assembly at its sixtieth session [A/60/30, para 129].

By its **resolution 61/239**, the General Assembly noted with appreciation the work of the Commission on the framework for contractual arrangements contained in annex IV to its 2005 report [A/60/30, para. 129].

2006 **62nd session (March):** The Commission considered a report from its secretariat supplemented by information from the Department of Peacekeeping Operations of the United Nations Secretariat, which provided an overview of the staffing situation and practices in peacekeeping missions. It also included information on conversion of contractual arrangements for field staff from the 300 to the 100 series. [ICSC/62/R.3].

63rd session (July): The Commission was provided with a note from the United Nations secretariat on the review of contractual arrangements for staff in field missions [ICSC/63/R.16].

The Commission decided to:

(d) As an interim measure, to allow maximum flexibility under the current contractual arrangements for staff in peacekeeping missions and to recommend the following measures to the General Assembly:

(i) Remove the four-year limitation on 300 series appointments;

(ii) Permit conversion to mission-specific 100 series contracts for staff members who have a minimum of four years of service, provided that their functions have been reviewed and found necessary and their performance has been confirmed as fully satisfactory;

(iii) Permit reassignment of 300 and 100 series mission-specific appointees to another mission in a similar capacity to meet the requirements of the organization [A/61/30, para. 181].

2007 **64th session (March):** The Commission considered the Secretary-General's proposal [A/61/255, VI] of a contractual framework for the United Nations organizations. The Commission concluded that the Secretary-General's proposal to introduce one United Nations staff contract, under one set of staff rules, with three types of appointments would actually require five staff contracts, under one set of staff rules, with five types of appointments. While the Commission was in favour of one set of staff rules, it was of the opinion that the Secretary-General's objectives could all be achieved within the simple structure of three types of contract as described in the ICSC framework* for contractual arrangements [*A/60/30, annex IV].

The Commission, in comparing the Secretary-General's proposals to ICSC's contractual framework, found that in several important respects, the proposals were not aligned with its framework. The Commission, having reviewed in detail the proposal of the Secretary-General, and in light of its observations, concluded that the Secretary-General's proposal should be revised to conform to ICSC's contractual framework [A/61/30/Add.1].

65th session (July): The Commission had before it, matters for which further follow-up had been requested and issues identified for regular update by the Commission.

The Commission decided:

(c) To request its secretariat to provide further analysis of the items reported on, including a full review of:

(ii) Use of appointments of limited duration [ICSC/65/15, para. 56];

2010 **70th session (February/March):** The Commission was presented with a document containing details on the implementation status of the ICSC framework for contractual arrangements throughout the common system and on all available types of contracts in the organizations, as well as information on the recent developments of contract reform in some organizations. The document also examined the current situation with regard to appointments of limited duration in the organizations [ICSC/70/R.6].

The Commission, in examining the broader use of appointments of limited duration, was of the opinion that such contracts no longer met the needs of the organizations. The compensation offered under these contracts was not comparable to other contract types in the common system organizations. As a result, it created inequity among staff working at the same duty station, side by side, and also affected staff morale. The Commission, therefore, decided to remove appointments of limited duration from its framework for contractual arrangements [A/65/30, para. 113].

The Commission decided to:

(a) Remove the reference to contracts for a limited duration of up to four years from its framework for contractual arrangements and revise the framework accordingly, as presented in annex V [A/65/30], with an effective date of 1 January 2011;

(b) Request the organizations of the United Nations common system to phase out appointments of limited duration from their staff contracts by not issuing new contracts of this category after 31 December 2010;

(c) Invite the United Nations Secretariat to inform the Commission at its seventy-first session of the Secretary-General's revised proposals for the introduction of the contractual framework, in particular the modalities for granting continuing contracts [A/65/30, para. 114].

The General Assembly's decisions related to contractual arrangements can be found in its resolution 65/247, section VI of 24 December 2010.

The General Assembly,

Requested the organizations of the United Nations common system to report annually to the Commission on the implementation of contractual arrangements and conditions of service for all of their staff serving in family and non-family duty stations [65/248, section C.4.];

2011 **73rd session (July):** The Commission considered decisions and recommendations taken in 2009 and 2010 and matters, including contractual arrangements, on which implementation was pending [ICSC/73/R.14].

The Commission decided to request its secretariat to compile a more complete report on its recommendations concerning the three types of contracts and the phasing out of appointments of limited duration in the common system [A/66/30, para. 19].

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2012 **75th session (July):** The Commission was presented with document ICSC/75/R.5 which examined the current situation with regard to the phasing out of appointment of limited duration. The document provided details on the implementation status of the ICSC framework for contractual arrangements throughout the common system and information pertaining to recent developments in contract reform in some organizations. Useful feedback on whether organizations considered that the three types of contracts in the framework met their current needs, was also provided.

The Commission confirmed that organizations were not required to use all three types of appointments, namely, (a) continuing; (b) fixed-term; and (c) temporary, outlined in the ICSC contractual framework [A/65/30, annex V], but rather that the framework presented a menu of available options from which the organizations could choose on the basis of what best met their needs.

The Commission decided to:

(a) Take note of the information provided in the document and request its secretariat to prepare a report to be presented to the General Assembly on the status of implementation of the ICSC contractual framework, in the context implementation reports submitted to the Assembly on a biannual basis, under article 17 of the Commission's statute;

(b) Take note that the organizations have phased out appointments of limited duration, in accordance with the Commission's recommendation;

(c) Affirm that the ICSC framework for contractual arrangements in the organizations of the United Nations common system (A/65/30, annex V) covers three types of appointments (continuing, fixed-term and temporary). The Commission does not require organizations to implement all three types of

appointments as described in the framework. Organizations may implement any combination of the defined contract types in accordance with the particular needs of the organization;

(d) Urge the organizations to follow the guidelines of the framework for contractual arrangements when considering and introducing any changes to the contractual status of staff, and, in particular, request the organizations that have not implemented the ICSC contractual framework to review their contractual mechanisms in the light of the framework, taking into account experiences in other organizations, and make proposals to their respective governing bodies to align their contractual arrangements with the common system;

(e) Review the implementation of the ICSC framework for contractual arrangements at its summer 2014 session [A/67/30, para. 104].

The General Assembly,

Took note of the decisions contained in paragraph 104 of the report of the Commission [67/257, section A.5].

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2015 **80th session (March)**: The Commission considered a report by the working group on performance incentives and other human resources issues which was established by the Commission in the context of the comprehensive review of the compensation system. The working group agreed that the ICSC framework and the three types of appointments outlined therein provided sufficient flexibility to accommodate organizations' needs for appointments of limited or temporary duration. It was noted that certain provisions on temporary appointments external to the ICSC framework had been introduced for the United Nations and its funds and programmes. However, it was agreed that there was no need for a review of the contractual framework at that stage and it recommended that the ICSC framework for contractual arrangements contained in annex V to the ICSC annual report for 2007 (A/65/30) be maintained.

The Commission decided to recommend to the General Assembly:

To maintain the framework for contractual arrangements as contained in annex V to the Commission's annual report for 2010 with document symbol: A/65/30 [A/70/30, para 279 (f)].

2016 **83rd session (July)**: T***he Commission considered a note by its secretariat*** with the second update on contractual arrangements since the approval of the revised ICSC framework from 1 January 2011. As of April 2016, 20 common system organizations reported that they had implemented the ICSC framework, and 2 organizations reported partial implementation.

In the survey carried out in April 2016, organizations were able to provide feedback and report to what degree the ICSC framework met their needs. The majority (16 organizations) reported that the framework met their needs, four reported that the framework met most needs, and four suggested the framework should allow for more flexibility with respect to employing staff for project functions.

The Human Resources Network, inter alia, stated its readiness to further examine the issue of project-based time-bound contracts and to prepare a discussion paper for one of the sessions in 2017 if desired.

The Commission decided:

(a) To take note of the information provided in the document;

(b) To encourage the organizations to follow the guidelines of the framework for contractual arrangements when considering and introducing any changes to the contractual status of staff;

(c) To request the organizations that had not implemented the ICSC contractual framework to review their contractual mechanisms in the light of the framework, taking into account experiences in other organizations, and make proposals to their respective governing bodies to align their contractual arrangements with those of the common system at their earliest convenience;

(d) To continue to monitor the implementation of the ICSC framework for contractual arrangements;

(e) To welcome the offer from the Human Resources Network to provide a paper outlining the issues of concern that might need adjusting, notwithstanding the Network's overall satisfaction with the current framework;

(f) To review the ICSC framework for contractual arrangements at a future session, to be determined in the light of the programme of work of the Commission (A/71/30, para. 48).

The General Assembly in the context of its consideration of the Commission's recommendations on the introduction of an end-of-service severance payment for fixed-term staff,

Recognized that a decision must be taken, and requests the Commission to undertake a comprehensive analysis, in consultation with relevant stakeholders, of the effect of the adoption of the above-mentioned recommendation, including the updated financial implications and the distinctions between **temporary, fixed-term and continuing contracts,** and to report thereon to the General Assembly at its seventy-third session in order for a decision to be taken on the recommendation and, as appropriate, the implementation date [A/RES/71/264, Section I.B, para.3].

2018 The Commission's response to the General Assembly's request above in 2016 can be found in the section on separation payments (section 4.70).

2020 **90th session (October):** The Commission considered an update on the implementation of the ICSC framework for contractual arrangements which had last been undertaken in 2016. A questionnaire on the issue by the secretariat in 2019 had elicited responses from 23 common system organizations. Three organizations had reported changes to their contractual policies since 2016 and an additional 6 reported that they were reviewing their contractual policies. Thirteen of the 19 organizations reporting as having implemented the ICSC contractual framework, considered that it met their needs while two stated that this was the case to an extent. Amongst the issues raised by some organizations, was a request for a project specific contractual modality. Some organizations also pointed out that the temporary appointment was too limiting. One organization reported that the reintroduction of continuing appointments in that organization had subsequently been reversed due to pressures from its member states urging it to reduce its long-term staff obligations, which were perceived to come with that appointment type. One organization reported that in the context of a task force of the United Nations System Chief Executives Board for Coordination (CEB) on the future of work, it would be actively involved in exploring the contractual modalities that might be required for a future workforce and this work would need to be linked to any ICSC review of the contractual framework.

The Commission decided to establish a working group to review the implementation of the current contractual framework by the organizations and any possible improvements within the current framework, and make recommendations as needed at its ninety-second session. [A/75/30, para. 40].

The General Assembly welcomed the decision of the Commission to establish a working group to

review the implementation of the current contractual framework by the organizations and any possible improvements within the current framework; [A/RES/75/245].

2022 93rd session (March-April): The Commission considered a report prepared by its secretariat of the working group on the review of the framework for contractual arrangements. Meeting in Copenhagen from 11 to 15 October 2021, the Working Group, using information obtained from common system organizations, found that 66 per cent of staff were on fixed-term appointments, 24 per cent were on permanent or continuing appointments and the remaining 10 per cent were on temporary appointments. Furthermore, the Working Group concluded that:

(a) The ICSC framework for contractual arrangements in the organizations of the common system, as contained in the Commission's annual report for 2010 and the Commission's further decision on the issue in its annual report for 2012, was adequate and provided sufficient flexibility to the organizations;
(b) While it is recognized that the current trends in the nature of funding affect the ability of organizations to issue long-term appointments, organizations should continue to adhere to the contractual framework in their planning and funding processes;
(c) The provisions for annual leave for temporary appointments across the common system organizations should be harmonized at 2.5 days of leave per month;
(d) The impact on the framework of emerging trends and developments in the future of work was not sufficiently clear at the current time and could be reviewed at a later stage, as appropriate.

The Working Group also encouraged the Commission to consider drawing the attention of the General Assembly and governing bodies to the impact of the current trends in the nature of funding on the implementation of the ICSC contractual framework and determined the financial implications of the recommendation to harmonize the accrual of annual leave across the common system for staff on temporary appointments were estimated at $4.1 million per annum system-wide. [A/77/30]

The Commission decided:
(a) To recommend to the General Assembly that the provisions for annual leave for temporary appointments across the common system organizations should be harmonized at 2.5 days of leave per month;
(b) To endorse the conclusion of the working group that the ICSC framework for contractual arrangements in the organizations of the common system, as contained in the Commission's annual report for 2010 and the Commission's further decision on the issue in its annual report for 2012 was adequate and provided sufficient flexibility to the organizations;
(c) To recommend that the common system organizations should continue to adhere to the contractual framework in their planning. [A/77/30, para. 63]

SECTION 9.100
HUMAN RESOURCES PLANNING

1982 **16th session (July)**: ICSC considered an analysis provided by its secretariat *(ICSC/16/R.18)* of the role of human resources planning (HRP) and its importance for individual staff, the organizations and the common system; it further described the components of the HRP process and made recommendations to facilitate the further review of the issue by ICSC *[A/37/30, para. 276]*. ICSC questioned to what extent it would be desirable or possible to apply HRP to the common system as a whole in common fields of work, and why there had been little progress in that area at the level of individual organizations. It decided to: (a) transmit its study on HRP to the organizations and the staff representatives for their further analysis; (b) request CCAQ to provide it with a synopsis of organizations' HRP practices or mechanisms, to provide information on their personnel data systems, to identify those factors that so far had hampered progress in the area of HRP, and to indicate whether an inter-organizational approach would be desirable and possible in those fields of work where common jobs exist; (c) request CCAQ and staff representatives to provide their further comments and proposals on the subject at the 17th session of ICSC *[A/37/30, para. 282]*.

ICSC recommended to the GA and the governing bodies of the organizations that they adopt the concepts of HRP as a basis for a systematic approach to integrated personnel management and that they pursue the development of a planning process based on the particular needs and capabilities of their organization in close coordination with ICSC's further study programme in this area *[A/37/30, annex I, appendix II, paras. 22 and 23]*.

By **resolution 37/126**, the GA considered that the overall concept of integrated personnel management based on HRP as envisaged by ICSC would assist organizations in achieving their programme objectives in an efficient manner, while providing improved conditions for career development to all categories of staff in the common system, whether they served in career or fixed-term appointments; recommended that the three-tiered job classification system developed by ICSC, based on a Master Standard of common system job classification standards, be applied to ensure optimal equity in remuneration as well as sound basis for HRP and career development, and that personnel policies of organizations of the common system be harmonized with the job classification system promulgated by ICSC; recommended further that organizations should establish their needs for permanent and fixed-term staff on a continuing basis in conjunction with the HRP process, taking into account the criteria considered by ICSC for this purpose.

1983 **17th session (March)**: ICSC resumed its consideration of HRP. It: (a) welcomed the initiatives taken by the organizations to develop an integrated approach to the management of their human resources, noted the progress made, recognized that planning requirements varied according to the nature and structure of the organizations' work programmes, and stressed that HRP need not be overly complex to be effective; (b) reiterated the recommendations it had made to the organizations in annex I to its 8th annual report to the GA; (c) recalled the provisions of GA resolution 37/126 relating to HRP; (d) noted the general agreement of the organizations and staff representatives in respect of the development of a common approach to skills inventories on an inter-agency basis to foster both the initial career development and the interorganizational exchange of staff, and requested its secretariat to take further steps in full consultation with all concerned to develop such an approach; (e) instructed its secretariat to further explore with CCAQ and the staff representatives the possibility of a seminar for personnel management specialists on HRP for the GS and related categories in both field and HQ locations; (f) requested its secretariat to serve as a focal point for the exchange of information on human resources matters within the common system *[A/38/30, para. 141]*.

In **resolution 38/232**, the GA recalled its resolution 37/126 (1982) and reaffirmed its support for the overall approach envisaged by ICSC which aimed at the development of policies for an integrated personnel management system, based on HRP, to assist organizations in achieving their programme planning in an efficient manner, while providing improved conditions for career development.

1985 **21st session (March)**: As a result of two symposia on HRP for non-P staff, a number of possible actions were identified that would be in the interests of both the organizations and the staff. ICSC 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. It also 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 HRP 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 *[A/40/30, para. 236]*.

ICSC endorsed the following general principles and suggestions for action that had been developed by the organizations: (a) HRP as a basis for career development for GS 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 cooperation of the staff; (b) career development for GS 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 GS 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 GS 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 personnel 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 GS and related categories should be undertaken in consultation with the representatives of the staff concerned *[A/40/30 para.239]*.

1991 By **resolution 46/191**, the GA, recalling articles 13 and 14 of the ICSC statute, urged ICSC to resume its active consideration of the substantive areas concerned.

1992 By **resolution 47/216**, the GA urged ICSC, as a complement to studies being undertaken in the remuneration area, to give equal attention in its work programme to measures designed to promote sound personnel management in the international public service.

1993 **37th session (March)**: In the context of the monitoring of the implementation of its decisions and recommendations, ICSC noted an uneven picture regards the organizations' implementation of its recommendations under article 14 of its statute. It recalled that it had issued a series of earlier recommendations in the areas of recruitment, training, career development, promotion and performance appraisal, anticipating that those elements wouldbe incorporated in integrated human resources plans that would include such elements as forecasting of human resources needs, the development of skills inventories, and the optimum use of rosters and career planning. Few agencies

had such coherently developed human resources plans; in others, personnel management consisted of a number of components falling under the areas of recruitment, promotion and training. While forecasting of human resources requirements and recruitment plans were in use in a number of agencies, budgetary constraints and rapidly evolving operational requirements had inhibited the ability of some agencies to predict needs accurately. For the most part, skills inventories did not exist, although most organizations had some sort of database or automated system for providing information on staff qualifications, skills, experience, nationality, gender, etc. In most organizations, rosters existed for recruitment purposes but, with two exceptions, were not coded according to the CCOG. ICSC also noted that systematic career planning and counselling were largely missing in most organizations.

ICSC acknowledged that organizations had in some instances felt past recommendations made by ICSC under article 14 of its statute had been too general or theoretical, and in other cases, not feasible; those recommendations were, moreover, dispersed throughout a number of different reports and therefore were not readily accessibly to users. It considered that it would be useful to produce, as an outcome of its future work in the areas falling under article 14 of the statute, a consolidated policy framework for human resources management (HRM) in the international civil service. In its future work in those areas, ICSC wished to build an active partnership with its interlocutors in which the respective responsibilities and authority of ICSC and the organizations were recognized and respected. Attitude surveys in the organizations were seen as one possible way of identifying the reasons for the non-acceptance of certain recommendations *[A/48/30, paras.250 and 251]*.

By **resolution 48/224**, the GA, *inter alia*, (a) noted with appreciation the action taken by ICSC under article 14 of its statute and (b) urged ICSC to devote further attention to personnel management issues.

1998 **47th session (April/May):** ICSC followed up on a project emanating from the 1997 forum on new directions in HRM at Glen Cove, New York. The objective of the forum was to strengthen the capacity of the common system to meet the needs and answer the concerns of all parties and to act as a catalyst for change. Key issues of the common system of the future were identified, of which four were perceived to be high-leverage/low-cost issues that could be accomplished within a reasonable time-frame. One of the topics, entitled "Managing diversity", was capacity-building for change management, which included strengthening intercultural synergies and creating a better appreciation of cultural and gender diversity in order to improve resources management in a multicultural environment.

ICSC considered a document that described the steps taken by the secretariat to focus and develop the project. It also reviewed the broad outlines of two training/learning programmes for staff and managers that had been developed by a consulting firm and a compendium of "best practice" in three areas: the common system organizations, the public sector and the private sector. The compendium was a work in progress that would be updated as necessary.

ICSC considered that there were many ways to manage change. This had been brought forth during the forum in Glen Cove. Managing diversity, in all its complexity, was one way. While it was true that globalisation and the growth of multi-ethnic populations worldwide had presented a challenge to the international private sector, which for the past decade or so had been concentrating considerable resources towards developing a more diversified workforce, diversity was a given in the UN. The management of cultural diversity in a system of organizations as culturally diverse as that of the UN might appear to some as superfluous. ICSC was aware that cultural values caused differences in outlook and that this intrinsic resource was not always optimised or managed to the system's advantage.

One of the purposes of the UN was to bring all peoples together with a greater appreciation for their diversity. Examples included ethnicity, gender, race, age and language. In its **resolution 52/216**, the GA had welcomed ICSC's initiative in organizing the forum at Glen Cove from which the current topic stemmed. Properly managed, diversity was a force that could create a common value system for the international civil service.

ICSC noted the interest of the organizations in this topic and the priority accorded to it. It also noted that diversity was an asset and a force that facilitated the creation of a common culture and reinforced the moral values of the UN system.

ICSC requested its secretariat to continue to seek additional information sources in the best practice compendium and include the experience, inter alia, of developing countries *[A/53/30, paras. 293-307]*.

48th session (July/August): In response to a number of recent GA resolutions, ICSC considered a framework for HRM prepared by its secretariat. In its **resolution 52/216**, the GA had recalled its **resolution 51/216** in which it had requested ICSC to take the lead in analysing new approaches in the HRM field so as to develop standards, methods and arrangements that would respond to the specific needs of the organizations of the common system, and to report thereon to the assembly at its 53rd session.

ICSC noted the evolution towards greater accountability, efficiency and cost-effectiveness in the public and private sectors, which had challenged the UN system to respond in like manner. A number of national civil services had undertaken significant reform efforts in recent years. The reforms currently under way in the organizations of the common system were the result of pressures from Member States for greater accountability and efficiency. ICSC observed that the growing interface of the UN system with civil society had resulted in a global institution in which reliance on outside sources of assistance was increasingly replacing in-house expertise, particularly in technical fields. This resulted in a system in which staff development was increasingly proceeding along two separate tracks: the so-called career track, which relied on core staff to implement ongoing functions, and a parallel track for others who made their knowledge and expertise available, but in the course of their careers moved in and out of the system. ICSC also noted that effective organizations and institutions used a variety of management styles to achieve their goals; one of these was a team-based approach to work, often across organizational units, which was not in widespread use in the common system organizations. These were but two examples of the new climate, which was challenging some of the basic assumptions about what constituted an international civil service.

Recalling that it was the need for market-driven expertise that had led the agencies to ask for flexibility not currently possible in a system that equalized pay across occupations, ICSC considered that ways needed to be found to maintain the common system's core integrity while at the same time introducing flexibility. Human resources were the essential elements in organizations' strategic planning, which, to be effective, needed to reflect the changed environment. ICSC considered that personnel policies had to remain true to the underlying values of the system, reflecting the ideals and principles of the Charter; at the same time, they must accord organizations flexibility and facilitate access to the best expertise available worldwide. The two concepts of consistency and flexibility were not necessarily in conflict with one another; together they could become the foundations for the development of modern personnel policies that responded to the times.

Given the importance and complexity of the subject, ICSC concluded that the matter could best be pursued through a working group with representation from members of ICSC and representatives of the organizations and of the staff. The objective would be to propose to ICSC an integrated framework for HRM that identified the core issues and consisted of a set of guiding principles and policies for the

common system. ICSC directed its secretariat to proceed with work in the two areas of job classification and ethics.

ICSC decided to create a working group to examine a framework for HRM, based on documents prepared by its secretariat and others and on a review of information, including human resources reforms and initiatives currently underway, both inside and outside the UN system *[A/53/30, paras. 261-274, and annex XI]*.

In its **resolution 53/209**, the GA expressed its conviction that ICSC must play a lead role in the development of innovative approaches in the HRM field as part of the overall reform taking place in the organizations of the common system. The GA welcomed ICSC's initiative to examine a framework for HRM, and invited ICSC to review, inter alia, the reform initiatives by all organizations of the common system, as well as reform efforts outside the common system, the facilitation of inter-agency mobility, and the introduction of specialist pay. The GA urged ICSC to address speedily its request regarding studies in the area of HRM and to submit a report thereon to the 54th session of the GA.

1999 **49th session (April):** ICSC created a working group on the framework for human resources management. The Working Group was composed of three members of the Commission, three representatives of the common system organizations and a representative of CCISUA, as well as members of the secretariats of ICSC and CCAQ. It met four times. ICSC considered that the development of the HR framework was a work in progress on which the Working Group had provided an interim report. It expected at its next session the Working Group's analysis of the problems facing the organizations and the creation of linkages between guiding principles on the various human resources elements *(ICSC/49/R.12)*.

50th session (July): ICSC noted that the Working Group had carried out further developmental work on the outline framework, and had: a) reviewed data on human resources reform inside and outside the common system; (b) identified a key list of components that should be addressed in an integrated framework; (c) drafted definitions for the main components of the framework; (d) specified the "core" areas that warranted action at the central common system level; (e) identified the linkages between the various components in the framework; (f) begun work on the drafting of elements of guiding principles for each component. The Commission noted that it also had a role in developing policy guidelines for the organizations in the non-core areas *[A/54/30, para. 128]*.

In its **resolution 53/209**, the GA: (a) welcomed the ICSC initiative to examine a human resources management framework; (b) invited ICSC to examine, *inter alia*, the reform initiatives by all common system organizations, as well as reform efforts outside the common system, the facilitation of interagency mobility and the introduction of specialist pay; and (c) urged ICSC to address speedily the GA request regarding studies in the area of human resources management and to submit a report thereon to the GA at its 54th session.

2000 **51st session (April):** The Commission adopted a Framework for Human Resources Management which contains the following interrelated elements: a) organizational design; b) compensation and benefits; c) employment policy; d) career management; e) good governance; f) human resources information management; g) ethics/standards of conduct. Each of these major components contains a number of sub-components. It concluded that it was a dynamic tool, which should be continuously updated as needed. It intended to use it to guide its future work. The integrated framework for human resources management would enable the Commission: a) to provide relevant and effective systems for human resources management in the common system on those issues which were core to the central system, b) to issue broad policy guidelines on other human resources management issues which were the responsibility of the organizations. [A/55/30, para.18 and annex II]

In **resolution A/54/238**, the General Assembly recalled its resolutions 51/216, 52/216 and 53/209 and welcomed the progress made by the Commission regarding the development of an integrated framework for human resources management. It further took note of the conclusions and decisions of the Commission [A/54/30, paras.173-177] and requested the Commission to continue its work in accordance with the programme outlined in para. 176 of its report.

In **resolution A/55/223**, the General Assembly welcomed the work of the Commission and endorsed its conclusions. [A/55/30, para. 19] It further requested the Commission to use the integrated framework for human resources as a guide to its future work programme as outlined in its report A/55/30, para. 18. The General Assembly recommended to the organizations that they use the Framework for Human Resources Management as the basis of their future work on human resources policies and procedures and that they bring it to the attention of their governing bodies.

2010 **71st session (July-August):** The Commission decided to review the framework for human resources management with the purpose of assessing whether it remained relevant and up to date and to propose modifications as necessary. The review should cover, inter alia, inter-agency mobility, recruitment systems and other human resources elements under its purview (A/65/30, para. 27).

2011 **72nd session (March-April)**: In response to the decision taken by the Commission at its seventy-first session, the ICSC secretariat, in 2011, presented a road map for the conduct of the review, for approval by the Commission.

The Commission decided:

(a) To take note of the information in the report presented by its secretariat.

(b) To endorse the timelines as contained in the proposed framework of actions for the review of the framework for human resources management (see annex II).

(c) To request its secretariat to undertake the actions listed under phase 1 of the review, in consultation with organizations and staff federations, and report thereon at its seventy-fourth session; (d) To consider the use of a working group during phase 2 of the exercise to conduct the study and make recommendations to the Commission (ICSC/72/R.9, para. 64 and annex II).

2016 **83rd session (July)**: In 2013, the working group had provided an interim report by the working group on the review of the framework for human resources management. Further work on this issue was subsequently suspended until the completion of the comprehensive review of the compensation system and the issue was next addressed in 2016.

It was noted that the proposed revised framework was (a) strategic; (b) staff-centered; and (c) results-based. The framework highlighted the strategic role of human resources management in helping to maximize present and future human resources capacity to meet the goals of the organizations. Furthermore, the new framework was designed as a “living and interlinked” document. The framework included staff safety, security, and duty of care as integral elements of talent management. Performance management and mobility/staff deployment were updated in the light of the ICSC performance management framework and recent discussions in the Commission concerning mobility policies throughout the common system. Finally, concept definitions, outcomes and new measurement indicators were added to the new framework.

The Commission decided:

(a) To approve the revised human resources management framework (as contained in annex II);

(b) To encourage organizations to use the new ICSC human resources management framework as an instrument to reinforce human resources management in the organization.

(c) That the framework should continue to be updated to be useful for all stakeholders.

(d) To invite organizations to include links to their own relevant policy documents. (A/71/30, para. 28).

2018 **86th session (March)**: The Commission, in the context of reviewing information on all aspects of diversity including gender parity, geographical distribution, multi-culturalism, generational diversity, and multilingualism, in 2017, had expressed the need to promote a better appreciation for the broader concept of diversity, using the human resources management framework. This would provide organizations with a common framework to establish their policies on workforce diversity, encompassing a range of elements in accordance with organizational priorities. Accordingly, the Commission reviewed proposed revisions to the framework at its eighty-sixth session in 2018 to add a component relating to diversity.

The Commission decided to:

(a) Request the secretariat to undertake further work on the diversity component, in particular on the outcomes and indicators.

(b) Request the secretariat to re-submit the diversity component of the human resources framework at its eight-seventh session. (ICSC/86/R.9/Rev.1, para. 60)

87th session (July): At its eighty-sixth session, the Commission had expressed its full support for all aspects of diversity, while noting that the paramount consideration in the employment of staff was the necessity of securing the highest standards of efficiency, competence, and integrity. In that regard, the Commission agreed that the broad principles should emphasize that concept. The Commission also requested that the outcomes and indicators relating to the proposed diversity component of the human resources management framework be further clarified and strengthened.

The Commission decided:

to approve the inclusion of the workforce diversity component in the human resources management framework, as set out in annex V. (A/73/30, para. 76 and annex V).

2022 94th session (July): The Commission considered a report prepared by its secretariat providing a historical background and a description of the elements of the ICSC Framework for Human Resources Management including a proposed way forward for its review. This envisaged that a review of the framework would be conducted in the period 2022 to 2024, including the establishment of a tripartite working group , collection of preliminary data and views, development of a detailed road map for the review, submission of a progress report, and submission of a finalized draft within a timeframe to be determined by the Commission. These proposed actions mirrored the approach and methods that had been followed in the previous review of the framework. [ICSC/94/R.15]

The Commission decided to:
(a) Take note of the information in the report presented by its secretariat;
(b) Endorse in principle the way forward as contained in the report of its secretariat;
(c) Request its secretariat to undertake the preparatory actions for the review, in consultation with organizations and staff federations, including gathering of information from the organizations on how

useful the framework has been, and any difficulties encountered, and report thereon at its ninety-sixth session (2023);

(d) Form a working group on the framework for human resources management, composed of members of the Commission, representatives of the organizations and staff federations, supported by the ICSC secretariat, to conduct the study and make recommendations to the Commission at its ninety-eighth session (2024). [ICSC/94/R.15, para. 63]

SECTION 9.110
INTER-ORGANIZATION AGREEMENT CONCERNING TRANSFER, SECONDMENT OR LOAN OF STAFF AMONG THE ORGANIZATIONS APPLYING THE UNITED NATIONS COMMON SYSTEM OF SALARIES AND ALLOWANCES

1981 **13th session (February/March)**: ICSC resumed consideration of inter-organization exchange programmes, which was step 8 in its plan of work in the area of career development as reflected in its annual report. It considered a report by a consultant on the Inter-organization Transfer Agreement 1/ and its implementation by the organizations in order to determine if the Agreement was being applied by the organizations, whether its provisions were up to date and whether it had been developed simply to aid staff members with certain difficulties they faced in accepting transfers or was intended to encourage transfers *[A/36/30, para. 227]*.

ICSC noted that the Agreement served well as a mechanism for facilitating the administrative aspects of inter-organization exchange and should continue to be applied as an administrative instrument. Any modification in the provisions of the agreement could be made by the organizations in CCAQ. ICSC concluded, however, that the agreement did not promote inter-organization exchange and that some instrument which would positively promote such exchange was required. It therefore instructed its secretariat to organize a working party of representatives of the organizations and FICSA to study and make recommendations on further means of demonstrating that inter-organization exchange of personnel was in the interest of individual organizations; incentives to be provided to staff members to encourage exchange of personnel; inter-organization exchange of personnel for training purposes; and other problems cited. The working party would be expected to incorporate its recommendations aimed at promoting inter-organization exchange, as provisions in an instrument that would become an annex to the Interorganization Transfer Agreement, and submit its recommendations and a draft of the annex for consideration by ICSC at its 15th session *[A/36/30, para. 251]*.

1/ The full title of the agreement is "Inter-Organization Agreement concerning Transfer, Secondment or Loan of Staff among the Organizations Applying the United Nations Common System of Salaries, Allowances and Benefits". The text of the Agreement is to be found in annex III of the CCAQ Handbook.

1982 **15th session (March)**: ICSC reviewed a secretariat document which contained a report on the meeting of the above-mentioned working party *(ICSC/15/R.18)*. The secretariat suggested that ICSC consider 12 major comments and conclusions of the working party, which might lead CCAQ to revise its voluntary agreement on inter-organizational transfers or secondments *[A/37/30, para. 316]*.

ICSC decided to take note of the work done in the working party and the comments and conclusions reached therein and to transmit these to CCAQ and the organizations for their positive consideration in the hope that work relating to inter-organization exchange of personnel would continue. ICSC also recommended to CCAQ and the organizations that they once again consider ways and means in which releasing organizations might be able to recognize a promotion within a receiving organization. CCAQ would be requested to inform ICSC at a later session of results in this area *[A/37/30, para. 320]*.

1987 **26th session (July)**: In the context of a review of the mobility of staff in the Professional and higher categories *(ICSC/26/R.17, see also section 9.80)*, ICSC noted that the Inter- Organization Agreement was designed more to regulate than to promote mobility. It was apparent that more inter-organization mobility was desirable and could be encouraged in the interest of organizations and staff.

In view of the importance of mobility within and between organizations and the difficulties highlighted by the organizations in this regard, ICSC requested its secretariat to analyse these problems further for consideration at its 27th session *[A/42/30, paras. 320 and 323]*.

1988 **27th session (March)**: ICSC reviewed a note by its secretariat *(ICSC/27/R.18)* on the question of staff mobility. It, *inter alia*, welcomed CCAQ's offer to provide updated statistics on inter-organization mobility to the ICSC secretariat *[ICSC/27/R.14, para. 176]*.

1991 In **resolution 45/241**, the GA, recalling articles 13 and 14 of the ICSC statute, requested ICSC to resume its active consideration of these substantive areas, and to study, among other questions, the practice of inter-agency secondment and transfer.

SECTION 9.120
REVIEW OF THE PAY AND BENEFITS SYSTEM

2000 **51st session (April):** In resolutions 51/216, 52/216 and 53/209, the General Assembly had requested ICSC to take the lead in analysing new approaches in the human resources management field. It was in that context that the highest priority had been accorded to the reform of the current salary system. The Commission considered a secretariat document [ICSC/51/R.11] that contained suggestions on the possible adoption of a job classification system based on broad banding and the merging of the base salary scale for staff with a dependent spouse or child.

52nd session (July/August): On the basis of the above-mentioned considerations, ICSC decided to move forward with the review of the pay and benefits system [A/55/30, para 47]. A secretariat document [ICSC/52/R.12] presented demographic material on common system staff and described how reform of the job classification system could help to solve some of the problems in personnel management; it also reverted to the issue of the merging of the base salary scale for staff with dependants with the scale for staff with no dependants and identified a series of problems that could arise in connection with the introduction of a single base salary scale. ICSC decided to establish mechanisms to allow for the broadest possible participation and discussion on the part of the organizations and the staff [A/55/30, annex III]. A Steering Committee coordinated and chaired by the Chairman of the ICSC and comprised of the ICSC Vice-Chairman, the Executive Secretary of the Commission, the Chairman/Bureau and the Secretary of the Consultative Committee on Administrative Questions would direct, over a two-year period, all future work on the review of the pay and benefits system. The recommendations of the Steering Committee would be brought to an open-ended ICSC working group of the whole for its consideration at the next session [A/55/30, annex III].

The overall mandate of the Steering Committee would be to coordinate and integrate the work of three open-ended focus groups, to present recommendations to the Commission on a package of reform measures and to ensure that any revised pay and benefits system is flexible and transparent and that it supports the management of each organization. The focus groups would meet at different duty stations and be composed of: (a) Commission members; (b) a convenor for each group; (c) representatives of organizations, including programme managers and a representative cross-section of staff from the organizations; (d) staff representatives and (e) members of the secretariats of the ICSC and the CCAQ. The subjects of the focus groups were: (a) The Nature of Work (Vienna), (b) Rewarding Contribution (Geneva) and (c) Management Capacity (New York) [ICSC/55/30, Annex III].

In **resolution A/55/233**, the General Assembly noted the work of the Commission in respect of the review of the pay and benefits system in the context of the integrated framework for human resources management. It further noted the decision of the Commission to move forward with the review of the pay and benefits system in accordance with the proposed modalities. [A/55/30, Annex III]

2001 **53rd session (June):** The interim report of the Open-Ended Working Group of the Whole established at the 52nd session [A/55/30, annex III] underscored the undeniable nature of the challenges faced by the organizations of the common system. They are working in a changing environment, mainly characterized by changes in their missions and mandates, increased competitiveness in labour market and new requirements for managers.

While the Noblemaire and the Flemming principles would remain the basis for establishing pay for common system staff, the objective of the review is to design a competitive system that enables organizations to attract, develop and retain high-quality staff, rewards staff on the basis of merit and competence, recognizes team as well as individual performance and simplifies the system with the

view to ease of administration and greater cost-effectiveness. In this context, the Open-Ended Working Group of the Whole considered that a competency-based approach, and a system linking remuneration to performance were designed to meet the organizational needs.

Strengthening management capacity, increasing flexibility, in particular as to the job classification system, promoting greater competitivity, improving work/life policies and streamlining and ensuring greater transparency and accountability were also identified as key objectives of review.

The Open-Ended Working Group of the Whole examined possible new approaches to the pay and benefits system. They related to: a) the updating and streamlining of job classification standards and procedures; b) the remuneration system, including tools to recognize and reward contribution and mechanisms to strengthen the capacity of management to meet organizational goals and enhance organizational performance and effectiveness. Related considerations, such as the treatment of allowances and other related issues, the diversity among organizations and the pensions scheme were also addressed.

Pending submission of the Commission's report to the General Assembly at its fiftyseventh session, the Assembly was requested to take note of the progress to date and the ideas and approaches outlined above which the Commission will further consider and develop. The Commission further decided that it would follow a pragmatic approach in determining how and when to incorporate the review of other relevant items into the review.

2002 **54th session (April/May):** ICSC decided that it needed additional information on the recommendations of its Working Group on Pay and Benefits Systems. It considered that, bearing in mind the issues raised in the Open-Ended Working Group, analytical work should continue, including indicators of efficiency gains expected from the proposed measures. It requested its secretariat to provide it with additional documentation for its 55th session, at which time it intended to take up again the report of the Working Group on Pay and Benefits Systems for further consideration in formulating its recommendations to the General Assembly. ICSC requested the following information: Linkages: identification of the linkages and options available in moving forward with the proposed approaches; Financial controls: further details on the implementation and administration of a system to control costs and permit the salary-banding concept to operate within the budget of the organizations; Financial implications: estimate of the financial impact of the proposed approaches; Recruitment/retention statistics: collection and analysis of quantitative data from the organizations on recruitment and retention difficulties. ICSC noted the voluminous amount of documentation available on approaches being proposed and felt it necessary for it to have summaries of the proposed approaches that identify those elements of the human resources management system that would be addressed by the adoption of the proposed approach, the problems related to the existing system, the options for change together with the pros and cons for each approach. As for the application of the Noblemaire principle, ICSC decided that it should not be part of the current pay and benefits review and that it would consider this issue at the time of the review of the compensation comparison methodology (A/54/R.12, paras. 24-68).

55th session (July/August): Based on the information provided by its secretariat and its discussions thereon, together with its consideration of the report of the Working Group, ICSC decided the following:

On the proposed reform of the job evaluation system: (a) to further develop the conceptual model as presented; (b) to assess the validity of the model at its fifty-sixth session after testing and validation; (c) to strongly encourage organizations to proceed with the development of monitoring, training and accountability measures in tandem with the current reform of the job evaluation system and to report to

the it thereon in conjunction with the implementation of any new system; and (d) to consider, as part of its programme of work for 2003, the possible promulgation of a new system of job evaluation under article 13 of its Statute pending the findings of the testing and validation of the new model (A/57/30, para. 39).

On the introduction of broad banding and related pay-for performance systems: (a) credible and reliable performance appraisal system that is acceptable to all parties concerned was an absolute necessity in moving forward with broad banding and/or pay-for-performance; (b) the organizations needed to provide it with quantitative and qualitative data on their performance management system and a critical analysis of the ability of their current performance appraisal systems to differentiate levels of performance, in particular when those systems are linked to pay; (c) a pilot study should be conducted of one broad-banded model and related pay-for-performance system (based on the confluence approach)at two volunteer organizations; in this connection: (i) the secretariat should consult with organizations on the modalities for the study; (ii) the modalities for the study should be presented to it at its next session; (d) ICSC's approval of a broad-banded system for the common system and the related pay-for-performance system was contingent upon the successful results of the pilot study; and (e) ICSC would inform the General Assembly that while a broad-banded model and related pay-forperformance systems could have value for the common system as part of a revised pay and benefits system, the hypothesis needed to be proven through a rigorous test and that the Assembly would be kept informed of further progress made in this regard (A/57/30, para. 60).

On the introduction of a Senior Management Service: (a) the introduction of a Senior Management Service had merit in building leadership and management capacity in support of major organizational reform directed at improving overall organizational performance; (b) the Service would not constitute a new subsidiary organ, advisory body or category of staff; (c) the Service would not require a special pay and benefits package, the pay and benefits applicable to Professional staff would apply to the Service; (d) the Service would consist only of high-level managerial positions; (e) posts would be identified for inclusion based on criteria approved by ICSC; (f) managers who occupy posts meeting the ICSC criteria would be in the Service; (g) the Service would have a common set of core competencies applicable for recruitment, selection, development and performance management; (h) the executive heads would be responsible for selection, evaluation and other aspects of managing the members of the Service and the Service would be open to recruitment from within and outside the common system; and (i) it would monitor the implementation of the modalities and report to the General Assembly (A/57/30, para. 80).

In its resolution 57/285, the General Assembly noted with appreciation the concrete progress made by ICSC in the review of the pay and benefits system in the context of the approved framework for the human resources management. It took note of the decisions of ICSC contained in paragraphs 39 to 80 of A/57/30. It invited ICSC to duly take into account all views expressed by Member States regarding the review of the pay and benefits system, bearing in mind that the eventual proposals should be aimed at enhancing the effectiveness as well as the efficiency of the secretariats of the organizations of the United Nations system, consistent with the principles set out in paragraph 12 of the A/57/30. The General Assembly requested ICSC to review its decision on the introduction of a Senior Management Service contained in paragraph 80 of A/57/30, including the question of whether the Senior Management Service should be dealt with within the framework of the review of the pay and benefits system, in view of the intention of the General Assembly to consider the question at its 58th session. It noted that the proposed Senior Management Service would not require a special pay and benefits package, as mentioned in paragraph 80 of A/57/30. It requested ICSC to conduct a review of grade equivalency between the United Nations and the United States federal service in accordance with the new master standard during its review of the pay and benefits system, taking fully into account the post

structure of the United Nations and of the United States federal Government, and to report thereon to the General Assembly at its 59th session.

2003 **56th session (March/April):** The Commission reviewed the status of the development and validation of a new system of job classification. It was informed by its secretariat that the test of the new system against tier II standards was carried out and that the system had been tested by three independent classifiers on the sample of posts A third level of validation had been added and it was decided to hold a series of validation workshops for human resources specialists and staff representatives who would review the new system against a sample of posts drawn from the larger validation sample. The Commission was informed that, following the validation process, a final draft of the new system would be presented at the fifty-seventh session for review and promulgation. The Commission noted that the implementation of the new system would be accompanied by a training programme and that a two-to-three-day workshop would be sufficient to present the functioning of the system and to provide an understanding of the grade progression factors necessary to support its use. Levels of delegation varied among organizations [ICSC/56/R.11, paras. 37- 41, 55].

57th session (July): The Commission was presented with document ICSC/57/R.2/Add.1 which provided an overview of the development and validation process. Following the endorsement of the conceptual model of the new system at the Commission's session in March/April 2003, a validation process was launched and carried out in three stages: the new system was applied to 13 of 14 Tier II standards by a team of independent classifiers; (b) the team of classifiers applied the system to a sample of 205 posts drawn from organizations of the common system; the confirmation rate ranged from 92 to 100 per cent when the system was applied against the Tier II Standards and from 86 to 90 per cent against both the new Master Standard and the grade level descriptors; and (c) validation exercises were conducted between February and May 2003 and these provided feedback particularly on the use of language in the application of the Master Standard and the grade level descriptors. Taking these factors into account, the original version was revised in terms of language, design and utility and a new release of the automated system was developed.

The Commission was informed by its secretariat that a series of workshops and management briefings were planned for September 2003 through March 2004. Further refinements would be incorporated, as required, on the basis of experience gained from the training sessions.

The Commission was satisfied that the validation exercises showed that the standard was ready for application. It noted that the standard was designed to reflect the competencies required at various levels for the achievement of results and represented **a** totally new approach in the management of human resources in the organizations. It confirmed that its secretariat would continue to play a leading role in the collaborative efforts for continued enhancement of the standard and the training programme for its implementation.

The Commission decided: (a) to delegate authority to its Chairman to promulgate the new standard as at 1 January 2004; (b) its secretariat should report on the implementation of the new standard in organizations on an annual basis; and (c) its secretariat should carry out a comprehensive assessment of the job evaluation system after 18 to 24 months and present its report to the Commission for its review and approval of any substantive design changes that may be required; (d) its secretariat, in consultation with organizations and staff representatives, should pursue further research on the proposal to reform the job evaluation system for the General Service and related categories and provide the Commission with a report [A/58/30, paras. 19, 20, 31 and 35].

2006 **63RD Session (July):** As part of its review of the pay and benefits system, ICSC decided to include in its programme of work for 2005-2006, a review of all leave entitlements. An information paper [ICSC/63/R.2] summarizing all leave entitlements was prepared by the secretariat; however, the

Commission responded by requesting that a more comprehensive inventory of leave practices, similar paid closure days and work hours of all organizations of the common system as well as the leave practices, holidays and work hours of the comparator be prepared and reviewed during the sixty-fifth session [ICSC/63/R17, para 61].

2007 **65th Session (July):** As a result of the Commission's request, the Human Resource Network prepared a note (ICSC/65/R3) in that regard and, in response the secretariat prepared an annex to that note.

Based on document ICSC/65/R3, the Commission decided that its coordinating and regulatory role in the area of leave entitlements should be concentrated on ensuring a consistent common system policy with respect to those entitlements of leave (e.g. annual, home and sick leave) which were essential to maintaining harmonized recruitment incentives, facilitating mobility of staff and ensuring coherent conditions of employment among organizations with similarly situated staff. On other leave entitlements, the Commission, while encouraging the organizations to consult with it, gave them flexibility to address issues in light of recent trends and best practices. The Commission also urged the organizations to strengthen partnership with the Commission and monitor best practices and developments in the area of leave entitlements [A/62/30, paras.57-59].

SECTION 9.130
MONITORING OF AGE THE AGE DISTRIBUTION OF THE WORKFORCE

2021 92nd session (August): The Commission considered the issue of generational diversity under a broader report on the diversity of the workforce, including gender and geographical diversity, at its 85th session in 2017. Thereafter, in its resolution 72/273, the General Assembly requested the Commission to continue to monitor the age distribution of the workforce and to report thereon to the Assembly. The Commission then considered the issue at its 92nd session.

The Commission strongly urged the United Nations common system organizations:

(a) To continue programmes that foster dynamism, creativity and innovative contributions of younger staff members and to recommend to organizations to enhance the recruitment of young professionals, reversing the current negative trend;

(b) To expand opportunities for entry-level recruitment for younger candidates;

(c) To financially support internships and similar programmes for candidates from developing countries;

(d) To ensure appropriate age distribution and to establish clear indicators to track progress in this regard;

(e) To publish more detailed and publicly available information on diversity such as gender, age and geography [A/76/44].

SECTION 9.140
MULTILINGUALISM

2022 At the 94th session (July): The Commission decided:

(a) To take note of the comprehensive report presented by its secretariat, underscoring that multilingualism was a core value of the Organization and an inherent element of workforce diversity that facilitated the Organization's mandate;

(b) To request that its secretariat continue to study the issue of multilingualism as an important element of workforce diversity;

(c) To include multilingualism in the current review of its framework for human resources management;

(d) To revisit the issue of the language incentive in the next comprehensive review of the compensation package.

[A/77/30, para. 117]

CHAPTER 10
COMMON STAFF REGULATIONS

SECTION 10.10
HARMONIZATION OF STAFF REGULATIONS

1977 **5th session (February/March)**: ICSC considered the way in which it should implement article 15 of its statute. It noted that "the development of a single unified international civil service through the application of common personnel standards, methods and arrangements" was one of the basic purposes of ICSC (article 9 of its statute). While article 15 referred only to staff regulations, it was in fact necessary, in order to achieve real uniformity of conditions of service, also to examine the staff rules, the more so as the distribution of subjects between staff regulations (usually established by legislative bodies) and staff rules (usually established by executive heads) was not the same in all organizations. Any recommendations ICSC might make in respect of rules would be fully covered by article 16 of its statute. On the basis of a preliminary study of divergencies existing in the regulations and rules of the various organizations, ICSC decided that, as a first step, CCAQ should examine divergencies of substance and endeavour to reach agreement on a common solution for as many of them as possible. When CCAQ reported to ICSC on the results of that exercise, it should be possible to proceed with the drafting of common texts *[A/32/30, paras. 231 and 232]*.

1978 CCAQ examined a comparative analysis of the regulations and rules of the organizations. It singled out four areas where divergencies of substance existed in order to try to resolve those differences: (a) definition of dependants; (b) merit and long-service increments; (c) sick leave; (d) maternity leave *[CCAQ handbook, section 14.1, para.5]*.

1979 CCAQ was able to resolve the issues relating to sick leave and maternity leave. It deferred consideration of merit and long-service increments until ICSC took up these issues, and of the definition of dependants until 1980 *[CCAQ Handbook, Section 14.1, para. 7]*.

1985 In **resolution 40/250** (administrative and budgetary coordination of the UN with the specialized agencies and the IAEA), the GA invited ICSC, in cooperation with UNJSPB and other appropriate bodies of the UN system, taking into account the relevant reports of JIU and the opinions expressed thereon in the Fifth Committee, to pursue its efforts to achieve a greater coordination of staff regulations.

1986 **24th session (July)**: In its consideration of the implementation of ICSC recommendations and decisions, ICSC decided, *inter alia*, to assume its functions under article 15 of its statute and to request its secretariat to conduct a study on the harmonization of staff regulations of organizations of the common system and to provide a preliminary report thereon to the twenty-sixth session *[A/41/30, para. 225 (a)]*.

1987 **25th session (March)**: ICSC approved a preliminary work programme and agreed that the substance of staff regulations and staff rules should be rendered as uniform as possible. CCAQ agreed to provide ICSC with an updated comparative analysis of the conditions of service as reflected in the staff regulations and staff rules of the organizations *[A/42/39, para. 324]*.

26th session (July): ICSC reviewed the first three regulations of article III of the UN staff regulations, -- salaries and related allowances, the education grant and staff assessment. It noted CCAQ's request to postpone the item until the 27th session. It voiced its concern at the CCAQ position and requested CCAQ to come forward by its next session with substantive recommendations based on the

secretariat's proposals and its own views of action required to further harmonize staff regulations at the inter-organizational level *[A/42/30, paras. 325 and 329]*.

The GA, in **resolution 42/221** urged the executive heads of organizations concerned, after consultation with ICSC, to undertake a revision of their rules and regulations so that they might conform with decisions taken by ICSC. The GA also requested ICSC to report to the 45th session (1990) on progress made in the promotion and strengthening of the UN common system through the development of common staff regulations.

1988 **27th session (July)**: ICSC recalled its discussions on this item at its 25th session in response to GA resolution 40/250 (1985). ICSC would report to the GA upon completion of its work. It noted in this connection that the issue of common staff regulations was linked to the outcome of the comprehensive review of the conditions of service of the P and higher categories, which might necessitate changes in the staff regulations of the organizations *[A/43/30, para. 92]*.

1990 **32nd session (July/August)**: In the context of the discussion of action by ITU concerning the granting of special post allowance (SPA), ICSC noted that serious discrepancies similar to those between ITU regulation 3.8(b) and the provisions for granting SPAs in other organizations, should be identified with a view to introducing greater uniformity in the organizations' staff regulations. It recalled that this exercise had been initiated some years earlier; due to other priorities, the matter had not been brought to completion. ICSC considered that, in the interest of promoting adherence to the common system, this exercise should be carried forward on a priority basis. It decided to request its secretariat to undertake, on a priority basis, a study of the organizations' staff rules and regulations with a view to identifying serious discrepancies and making appropriate recommendations to the GA and to the governing bodies of other organizations *[A/47/30, paras. 39 and 43]*.

CHAPTER 11
STAFF/MANAGEMENT RELATIONS

SECTION 11.10
ADMINISTRATION OF JUSTICE

1987 **26th session (July)**: This item was considered in the context of the recommendations of the Group of 18 (see section 13.20), specifically recommendation 60 which called for a streamlining of the procedures relating to the administration of justice (July 1987). ICSC was informed that the working group set up by the UN to review the functioning of the Organization's appellate and disciplinary processes had completed its work. It regretted that its role in this matter had been overtaken by events. It noted that while the UN SG would no doubt be reporting on his findings in respect of the UN, ICSC had already decided to study the administration of justice (as included in its proposed work programme for 1988-89) with regard to the common system and report to the GA in 1989 *[A/42/30, para. 44 (j)]*. Three documents *(ICSC/29/R.8 and Adds. 1 and 2)* were prepared in 1988, but were not taken up by ICSC due to competing priorities.

CHAPTER 12
REPORTING AND MONITORING FUNCTION

SECTION 12.10
IMPLEMENTATION OF THE COMMISSION'S RECOMMENDATIONS AND DECISIONS

1978 In **resolution 33/119**, the GA urged the competent authorities of all organizations of the UN common system to refrain from actions which did not contribute to the strengthening and development of the common system.

1979 In **resolution 34/165**, the GA recalled its resolution 33/119 which set down important objectives for maintaining and reinforcing the common system and established guidelines for the future work of ICSC.

1980 The GA, by **resolution 35/214** reaffirmed the central role of ICSC in the development of a single unified international civil service through the application of common personnel policies and standards, methods and arrangements.

1981 By **resolution 36/233**, the GA: (a) recalled that it had established ICSC for the regulation and coordination of the conditions of service of the UN common system as set forth in article 1 of the ICSC statute; (b) reaffirmed the central role of ICSC within the common system in the development of a single unified international civil service through the application of common personnel standards and arrangements; (c) urged all organizations concerned to implement the decisions of ICSC and to act positively on the recommendations of ICSC in accordance with its statute; (d) urged the executive heads of organizations, after consultation with ICSC to report to their respective governing bodies such decisions or proposals as would modify ICSC recommendations; (e) supported ICSC efforts to promote uniform and coordinated action in the common system and called upon the SG in his capacity as Chairman of ACC, to ensure that adequate measures were taken to this end.

1982 In **resolution 37/126**, the GA, *inter alia*, reaffirmed the importance of the acknowledged role of ICSC in the development of a single, unified, international civil service through the application of common personnel standards, methods and arrangements as stated in article 9 of its statute; reaffirmed the importance of respect for these common standards, methods and arrangements by all member organizations of the common system; and requested all bodies making proposals for action on personnel matters affecting the UN common system to coordinate these closely with ICSC, which shall give its recommendations thereon to the GA and other legislative organs in the common system and thereby avoid duplication of efforts.

1983 **18th session (July/August)**: ICSC considered a report by its secretariat containing an analysis of replies by the organizations to a 39-point questionnaire, in accordance with article 17 of the statute. ICSC noted with appreciation all the information received and commended the organizations in respect of the degree to which they applied, implemented or considered ICSC recommendations and decisions. With a few exceptions, mainly in the areas of personnel policies found under article 14 of the statute, ICSC considerations had been adhered to in considerable degree *[A/38/30, paras. 170-173, 175-176 and annex IV]*.

In **resolution 38/232**, the GA: (a) reaffirmed the central role of ICSC within the common system in the development of a single unified international civil service through the application of common personnel standards and arrangements; (b) reaffirmed the importance of respect for these common standards and arrangements by all organizations members of the common system; (c) urged all organizations concerned to implement the decisions of ICSC and to act positively on its

recommendations in accordance with its statute; (d) urged the executive heads of organizations, after consultation with ICSC, to report to their respective governing bodies such decisions or proposals as would modify ICSC recommendations; (e) called upon all organizations of the common system to bring to the attention of ICSC all matters relating to salaries, allowances, benefits and other conditions of employment so as to ensure their uniform application throughout the system.

1984 **20th session (July)**: ICSC noted information on developments since the 18th session which had been provided by organizations. It decided to reiterate its request that UNESCO consider the ICSC recommendation to consider staff for career appointments after five years of good service, and felt that this recommendation should be placed before the UNESCO Executive Board or General Conference as appropriate *[A/39/30, para. 229]*.

By **resolution 39/69**, the GA reaffirmed that in the exercise of its functions ICSC should be guided by the principle which aims at the development of a single unified international civil service through the application of common personnel standards and arrangements; noted the progress made by ICSC in the regulation and coordination of the conditions of service of the UN common system; noted also the implementation of ICSC recommendations and decisions by the organizations of the common system, as requested in GA resolution 36/223 (1981) and 38/232 (1983).

1985 **22nd session (July)**: ICSC considered an analysis of replies by organizations to a 19-item questionnaire on the implementation of its recommendations and decisions in 1982 and 1983 and additional information on those implemented since 1983. A list of the questions and an annotated tabular summary of all replies from the organizations is contained in annex VII to A/40/30. Questions 1-15 dealt with compensation issues. The remaining questions dealt with personnel policy matters. ICSC requested the organizations to coordinate their positions on types of appointments and the abolition of probationary appointments *[A/40/30, paras. 269-270]*.

ICSC 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 brought to the attention of the GA. ICSC expressed satisfaction at the full implementation by the IMO Council of ICSC's recommendations based on its recent survey of conditions of service of the GS category in London *[A/40/30,paras. 279-280]*.

ICSC noted with concern that the completion of the job grading exercise in the UN 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. ICSC 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 ICSC, through its Chairman, information as to implementation progress and impact by 30 September 1985.

If for any reason the UN 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 UN; (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 ICSC at its 23rd session common benchmarks as envisaged at the time the standard was promulgated along with an analysis of the results of the coordination among the three organizations during implementation to ensure consistency of application of job classification standards; (c) the UN 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 *[A/40/30, paras. 281-282]*.

In **resolution 40/244**, the GA: (a) requested the UN/SG in his capacity as Chairman of ACC and, through him, the other executive heads of organizations participating in the UN common system, to promote endeavours to maintain and strengthen the common system for the regulation and coordination of the conditions of service; (b) requested the executive heads of participating organizations through the SG to inform their respective governing bodies of the present resolution; (c) urged Member States to ensure that their representatives in organizations of the UN common system were informed about the positions taken by them in the GA on matters relating to the conditions of service; (d) expressed its concern over actions taken by some of the participating organizations which had led to disparities in the UN common system; (e) requested ICSC to report in detail to the GA at future sessions on the consideration and implementation of its decisions and recommendations by organizations of the UN common system.

1986 **24th session (July)**: ICSC had before it a detailed summary of recent action taken by the organizations of the common system in response to the decisions and recommendations made in its 10th annual report. The document also provided updated information about actions taken by the organizations that had previously been unable to implement fully earlier ICSC decisions and recommendations. The secretariat proposed that ICSC take up article 15 of its statute on the development of common staff regulations *[A/41/30, para. 218]*.

ICSC reaffirmed the importance of monitoring the implementation by organizations of its decisions and recommendations and decided: (a) to assume its functions under article 15 of its statute and to request its secretariat to conduct a study on the harmonization of staff regulations of organizations of the common system and to provide a preliminary report thereon to the 26th session; (b) to emphasize to the organizations the need for its representatives to participate in selected meetings of the governing bodies of common system organizations whenever ICSC decisions and recommendations were placed before them for consideration, particularly in instances when the working papers did not adequately explain the ICSC view and the importance and rationale for the decision or recommendation; (c) to propose to the Director-General of WIPO, which had not been represented at the current ICSC session when it had discussed the effects of currency fluctuations on take-home pay of P staff in local currency, that he request the governing bodies of WIPO to review this question at their forthcoming session in September 1986 and to invite ICSC to be represented at that session; (d) to request its secretariat to report on the implementation by the organizations annually, as required by the Statute, but with the organizations submitting detailed information only every three years, while still drawing ICSC's attention to important unresolved issues in the meantime, in particular, in personnel policies *[A/41/30, para. 225]*.

By **resolution 41/207**, the GA: (a) recalled resolution 40/244 concerning the maintenance and strengthening of the UN common system; (b) requested the SG, in his capacity as Chairman of ACC, and through him, the other executive heads of organizations participating in the UN common system, to ensure that all necessary measures were taken to promote uniform and coordinated action in the common system regarding conditions of service; (c) stressed the importance of ensuring that the governing organs of the specialized agencies did not take, on matters of concern to the common system, positions conflicting with those taken by the GA; (d) requested ICSC to continue reporting on the implementation of its decisions and recommendations by participating organizations; (e) requested, through the SG, the executive heads of organizations participating in the UN common system to inform their respective governing bodies of the present resolution.

1987 **26th session (July)**: ICSC considered a document on the implementation of its recommendations and decisions prepared by its secretariat. On the basis of the information received from the organizations, it

decided: (a) to express appreciation to the executive heads for drawing to its attention action taken by their governing bodies; (b) to request those organizations that had deviated in the implementation of recommendations in respect of effective dates to harmonize their practices in future with the other organizations in accordance with the dates recommended; (c) to request the UN to harmonize with other organizations concerned the effective dates of implementation of interim cost-of-living adjustments for the GS category at the same duty stations; (d) to reiterate its recommendations in the area of personnel policies, particularly with respect to recruitment policy, and to request organizations to make every effort to implement them and, when taking such action, to inform the ICSC secretariat in time to enable it to report to ICSC at the session following the date of approval by legislative organs of executive heads; (e) to reiterate its recommendations to the UN, ILO and WHO on long-service steps, that one additional step be introduced into the salary scales for long service at the levels P-1 to P-5, and to UNDP, UNESCO and WIPO on linked grades made in its eighth annual report and request these organizations to report to ICSC on these issues at its twenty-seventh session; (f) to request organizations that had not yet done so to send to the ICSC secretariat copies of relevant resolutions, decisions and reports on meetings of legislative bodies *[A/42/30,para. 344]*.

By **resolution 42/228**, the GA: (a) reaffirmed the importance of respect by all organizations of the UN common system of common standards and arrangements; expressed its concern over actions taken by some of the participating organizations which had led to disparities in the UN common system; (b) requested the SG in his capacity as Chairman of ACC, to draw to the attention of his colleagues the concern of the GA at such departures from the common system; (c) urged the executive heads of organizations concerned, after consultation with ICSC, to undertake a revision of their rules and regulations so that they may conform with ICSC decisions; (d) requested ICSC to continue reporting on the implementation of decisions and recommendations by participating organizations; (e) requested ICSC to report to the GA at its 45th session on progress made in the promotion and strengthening of the UN common system through the development of common staff regulations.

1988 **27th session (March)**: ICSC reviewed the implementation by the organizations of its recommendations and decisions, devoting its attention, in particular, to deviations in the implementation of GS salary scales recommended by ICSC at various HQ duty stations, the application of the remuneration correction factor (RCF) by WIPO, long-service steps and linked grades. ICSC decided: (a) to express appreciation to the executive heads for informing it on a regular basis of action taken by the governing bodies of their organizations on its decisions and recommendations; (b) to reiterate its request to those organizations that had deviated in the effective dates of implementation of ICSC's recommendations under article 10 of its statute to make every effort in the future to conform with the dates recommended; (c) to request WIPO to report on the review undertaken by its governing bodies of its staff regulation 3.1 bis on the protection of takehome pay in local currency, for consideration by ICSC at its 29th session and to authorize its Chairman to continue to press WIPO to comply with the ICSC decision in this regard; (d) to reiterate its request to the UN to make every effort to harmonize with other organizations the effective dates of implementation of cost-of-living adjustments for the GS and related categories at duty stations where there had been differences in the past; (e) to request the UN, UNIDO and IAEA to make every effort to apply in a uniform manner the salary scales of the GS and related categories at Vienna at the earliest possible date; (f) to note the progress made in regard to linked grades by IMO and the intention of UNDP to reduce the number of posts for which linked grades were used; (g) to urge UPU and WIPO to reconsider their continued use of linked grades, which was unjustified; (h) to note that no action had been taken to introduce a long-service step for staff in the P and higher categories and to include this issue in its comprehensive review of the conditions of service of the P and higher categories (the introduction of a long-service step for such staff had been recommended by ICSC in 1987 but was not accepted by the GA); (i) to reiterate its request to organizations that were not yet doing so to provide

the ICSC secretariat with the relevant resolutions, decisions and reports of their legislative bodies *[A/43/30, paras. 93-94]*.

28th session (July): ICSC was informed by its Chairman of developments regarding the WIPO provision for the protection of take-home pay in local currency in contravention of the ICSC decisions on the application of the RCF at Geneva. The Working Group of Member States established by WIPO's governing bodies in September 1987 had met at Geneva in June 1988 and had made its recommendations. The ICSC Chairman had requested that ICSC be represented at the meetings of the Working Group, but this had not been made possible. The Working Group had recommended that the above mentioned provision in WIPO's Staff Regulations be abolished as of 1 October 1988.However, the Working Group had also proposed transitional measures for existing staff, involving the continued application of the above provision for an indefinite period. The Chairman requested ICSC's views on whether further action should be taken on the matter. ICSC fully supported the actions undertaken and reiterated its view that WIPO should follow the practice of the other organizations of the common system. It requested its Chairman to pursue the matter in the appropriate forums *[ICSC/28/R.15, paras. 78-79]*.

1989 **29th session (March)**: ICSC continued to monitor the implementation of its decisions and recommendations by the organizations, on the basis of a report by its secretariat *(ICSC/29/R.9 and Add.1)*. It 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 (CCOG) to existing jobs to extend the coding to such jobs and to report thereon to ICSC 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 ICSC in 1992; (e) to request organizations that had not yet done so to establish links between CCOG, roster codes and skills inventories; (f) to urge organizations that applied linked grades to implement ICSC's recommendations in that area; (g) to urge organizations further to harmonize and coordinate 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 ICSC in 1992; (i) to take note of the decision of the Governing Bodies of 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 to review, in consultation with the CCAQ secretariat, alternative ways of reporting in the future on the implementation by the organizations of ICSC decisions and recommendations *[A/44/30, vol. I, paras. 92 and 97]*.

30th session (August): ICSC noted with satisfaction that UNJSPB had requested ITU not to proceed with implementation of its proposal to establish a pension purchasing power protection fund. It urged all organizations not to introduce policies and practices that ran counter to the commitments and obligations they had undertaken when they adopted the statute *[A/44/30, vol. I, paras. 48 and 49]*.

In **resolution 44/199**, the GA endorsed the UNJSPF and ICSC conclusions that the ITU proposal should be studied as one possible long-term approach to the adjustment of pensions in local currency terms and that ITU should not proceed with the implementation of its proposal, as that would weaken the common system.

1990 **32nd session (July/August)**: ICSC recalled that in its 10th and 11th annual reports, it had recommended that a single long service step by granted to staff in grades P-1 to P-5. The GA had not

endorsed this recommendation. ICSC had also decided to recommend to the executive heads of the organizations that a similar long-service step be introduce for staff in the GS and related categories at duty stations where long service steps did not exist at that time. ICSC's recommendations with regard to the GS and other locally recruited categories of staff had been implemented by common system organizations. ILO and WHO, however, continued to operate under their earlier arrangements, thereby granting more than one longevity step to staff from the GS and other locally recruited categories. ILO, WHO and WIPO had also added steps to the salary scales of the P and higher categories. ICSC decided to recommend that: (a) the Executive Heads of ILO and WHO should bring the matter of the additional steps beyond the salary scales of the P and higher categories of staff approved by the GA, as well as the common system scales for the GS and related categories of staff, to the attention of their respective legislative bodies with the recommendation that the current system of reward through the extension of salary scales be replaced by the introduction of a scheme entailing the payment of one time nonpensionable cash awards to reward merit; (b) WIPO, in view of the additional steps introduced in the scale of salaries and PR which went into effect as of 1 July 1990, should take appropriate action to change its staff regulations to eliminate the provision regarding the introduction of one extra step in grades P-1 to P-5, as recommended in 1984. ICSC further decided to request ILO and WHO to present a detailed report concerning this matter to ICSC at its 36th session *[A/45/30, paras. 143, 162 and 163]*.

By **resolution 45/241**, the GA: (a) noted that WIPO had revised its rules in respect of an additional step in the salary scales of the P and higher categories and urged the governing bodies of ILO and WHO to take similar action; (b) invited ICSC, with regard to its recommendation on non-pensionable cash awards to reward merit, to continue its review of performance evaluation systems, and urged Member States to ensure that their representatives in the meetings of the governing bodies were informed of positions taken by ICSC and the GA on conditions of employment in the common system.

ICSC was informed that the UN/SG had decided not to implement the salary scale recommended by ICSC as a result of the survey of best prevailing conditions in New York in October 1989. It decided to report to the GA, in accordance with article 17 of its statute, that the UN/SG, acting in concert with the executive heads of UNICEF and UNDP had not accepted the salary scale ICSC had recommended but had instead implemented the November 1989 survey scale, with effect from 1 October 1989. ICSC regretted this action because it violated the principle of best prevailing local conditions which governed the determination of GS salaries, thereby setting an unfortunate precedent which in the future could damage the common system accepted by participating organizations. Furthermore, this decision could erode confidence in ICSC, thereby damaging its authority and therefore its capacity to function as envisaged in the statute *[A/45/30, paras. 291, 304 and 306]*.

ICSC also reviewed several job classification-related implementation items *(cf.ICSC/32/R.22 and Corr. 1 and 2)*: (a) development of job classification standards for the GS and related categories at Geneva and Santiago; (b) progress reports on the implementation of job classification standards at Vienna, Addis Ababa and Baghdad and for small and medium-sized duty stations; (c) a proposal on how to deal with the overlap in functions of staff in the extended GS level and the NPO category. ICSC noted the information provided by the organizations on these matters and decided to request them to inform ICSC at its 33rd session of action taken regarding the implementation of the GS job classification standards for Addis Ababa and Baghdad, as well as the common classification standard for the GS and related categories in small and medium-sized duty stations.Information on the development of standards for the GS at Santiago should be presented to the 34th session *[ICSC/32/R.24, paras. 54-60]*.

By **resolution 45/241**, the GA noted the application of the GS salary scale in New York put into effect as of 1 October 1989 and decided that this scale should not constitute a precedent for future salary surveys. It requested the UN/SG to adjust the salaries of the GS category to levels consistent with best

prevailing rates of remuneration as determined by ICSC, so that there was no disparity by the time of the next survey. The GA also requested the SG to submit to the GA at its 47th session a report on procedures whereby the SG and other executive heads could take measures regarding salary scales of the GS category at variance with recommendations of ICSC, only after consultations with appropriate intergovernmental bodies and ICSC. The GA noted that ICSC would review in 1991 the methodology for conducting salary surveys of the GS and related categories at HQ duty stations, and requested ICSC to submit a report thereon to the GA at its 47th (1992) session.

By **resolution 45/268**, the GA, taking into account statements made in the Fifth Committee, expressed its deep concern about the potential impact on the UN common system and the UN pension system of the decision taken by the ILO International Labour Conference to proceed with its proposal to establish a voluntary thrift benefit fund, and the decision of the ITU Administrative Council to implement unilaterally a pension purchasing power protection insurance plan. It also expressed its concern about the decision of the SG of ITU to grant a special post allowance (SPA) to HQ staff in the P and higher levels. The GA requested ICSC and UNJSPB to examine the basis for these the decisions and the implications for the common system, and to report thereon to the GA at its 46th session.

1991 **33rd session (March)**: After examining the above issues, ICSC concluded that in the case of ILO, the administration had found itself in a delicate situation regarding the staff regulation defining PR and its amendment to conform with the common system definition of PR. A divergence of the ILO and UN scales of PR had prompted the decision by the governing bodies of ILO to establish a Voluntary Thrift Benefit Fund and at the same time, eliminate the discrepancy between the two scales. The Fund was part of a package designed to remove a serious contradiction in staff regulations specific to ILO and should not be invoked as a precedent by other organizations or even by ILO itself *(A/46/30, vol. I, paras. 16, 18, 20 and 31)*. The decision should only concern staff members who were affected by the change in staff regulation 3.1.1, effective 27 February 1991. As regards the ITU decision to implement a pension purchasing power protection insurance plan (PPPPIP), ICSC noted that this was a matter dealt with the UNJSPB under its mandate *[A/46/30, vol. I, para. 37]*.

ICSC reviewed documentation dealing with the three GS job classification issues mentioned above *(see ICSC/33/R.11 and ICSC/33/CRP.4)*. It was recalled that at the 32nd session, ICSC had requested a report on the implementation of the GS classification standards for the GS and related categories at Santiago. The UN representative explained that scarce resources required a phased approach to the problem. He was still hopeful that ICSC would reconsider participating in an inter- agency mission to Santiago for the development of benchmarks after the promulgation of a global classification standard for non-HQ duty stations (see below). ICSC: (a) noted that the UN expected to report to the 34th session that implementation of the classification exercise in Baghdad had been completed; (b) noted a progress report by CCAQ on the implementation of the standard for the classification of small and medium-sized duty stations (a slightly revised version of which would be submitted to the 34th session, for application at all non-HQ duty stations); (c) agreed to revert to unresolved issues at the 34th session *[ICSC/33/R.16, paras. 98-103]*.

34th session (August): ICSC was informed by the representative of ILO that at its 78th session in June 1991 the International Labour Conference had adopted a resolution authorizing the financing of the Voluntary Thrift Benefit Fund. The ILO staff regulation concerning the definition of PR had been amended to conform with the common system definition. The statute of the Fund and the regulations had been adopted recently by ILO and submitted to ICSC *(A/46/30, vol. 1, para 32)*.

In response to the request by the GA in resolution 45/268, ICSC reviewed the decision of ITU to grant a UN special post allowance (SPA) to its HQ staff at the P and higher levels. It noted ITU's explanation that the allowance was granted in recognition of additional work on the part of those staff

members in connection with a forthcoming high level conference. ICSC concluded, however, that the ITU decision was incompatible with the concept of the common system. It deeply regretted the unilateral action taken and expressed concern that the ITU decision had been reached without previous consultations with ICSC or its Chairman. It affirmed that the unilateral action by ITU did not constitute a precedent and invited organizations to consult with ICSC in their quest for a solution to all their problems thereby ensuring that the norms of the common system were followed. It also invited all organizations to cooperate fully with ICSC on all matters falling within ICSC's mandate under its statute *[A/46/30, vol. 1, paras. 44 and 45]*.

ICSC noted a report by the UN *(ICSC/34/R.14)* that it had completed the implementation of the job classification standards for the GS and related categories at Addis Ababa. It also reviewed a report *(ICSC/34/R.15)* on the development of a common classification standard for the GS and related categories at Geneva. ICSC took note of the proposed standard and agreed to delegate to the Chairman the authority for its promulgation *[ICSC/34/R.17, paras. 53-61]*.

By **resolution 46/191A**, the GA: (a) endorsed the ICSC view that the action taken by ITU to grant a special post allowance to HQ staff at the P and higher levels was incompatible with the concept of the common system; (b) regretted that the ILO decision to establish a voluntary thrift fund had been taken without prior consultation with ICSC, and stressed that neither the ILO nor the ITU action should be used as a precedent for the future; (c) noted the decision by WIPO to establish a working group on P remuneration and invited WIPO to involve the relevant common system bodies in the working group; (d) appealed to the organizations to refrain from deviating from the common system and invited ICSC and UNJSPB to make appropriate recommendations for enhancing respect and adherence to the common system by all governing bodies.

1992 **35th session (March)**: In a review of the impact on its work programme of the biennialization of the work of the Fifth Committee, ICSC decided *inter alia* to present a comprehensive report on the implementation of its decisions and recommendations to the GA every two years, starting in 1993 (see also section 1.40) *(A/47/30, para. 29)*.

By **resolution 46/191B** (July 1992) the GA noted that resolution 1042 of the ITU Administrative Council recognized that the ITU action regarding SPAs was incompatible with the common system, but did not prohibit further payment of the SPAs. It: (a) strongly deplored the decision of the ITU/SG to make payment of the SPA which was in contravention of GA resolution 46/191A; (b) regretted that the ITU Administrative Council had not explicitly excluded further payment of the SPA; (c) reiterated its endorsement of the ICSC view that the ITU action was incompatible with the common system; (d) called upon executive heads and governing bodies of the UN common system to respect fully the decisions by the GA concerning conditions of service of staff and pointed out that failure to do so on the part of any organization could prejudice its claim to enjoy the benefits of participation in the common system; (e) stressed that the ITU action should in no way be involved as a precedent by other organizations or by ITU itself; (f) called again upon the organizations to refrain from seeking to establish for their staff, whether by provisions in their staff regulations or by other means, additional entitlements and benefits; (g) requested the executive heads of participating organizations to consult ICSC and UNJSPB prior to the submission of proposals relating to staff conditions of service to their respective governing bodies; (h) requested ICSC at its current session; (i) to assess the impact on the common system of resolution 1024 of the ITU Administrative Council and recommend its report to the GA's 47th session appropriate measures to be taken by the GA; (ii) to propose measures to be undertaken by all organizations to enforce and enhance respect for, and adherence to, the common system and to report thereon at its 47th session, as well as on its consideration of the question of improved responsiveness of the common system to the different organizations' concerns and needs; (i) called upon ECOSOC, at its substantive session of 1993 to review and where appropriate, strengthen

the applicable sections of the relationship agreements between the UN and member organizations of the common system; (j) requested ITU to ensure that any consultative meeting convened pursuant to Administrative Council resolution 1024 proceeded with the clear awareness that the GA was the authority for determining conformity with the UN common system.

36th session (July/August): ICSC noted that, although the decision to grant an SPA to ITU P staff had been taken before this matter was considered by ICSC and the GA, it had been implemented after both bodies had expressed their strong opposition to the measure. In resolution 1024, the ITU Administrative Council had accepted the ICSC view, endorsed by the GA, that the ITU action was incompatible with the common system. While that acknowledgement was welcome, ICSC considered that the logical consequence would have been for the Council to take tangible steps to redress the situation by withholding payment of the second instalment instead of allowing it to proceed. In ICSC's view, the second SPA payment was most unfortunate. ICSC expressed the hope that situations such as that currently under discussion would be avoided in future by close cooperation between staff and the organizations, including ITU *[A/47/30, paras. 35 and 36]*.

ICSC (a) reiterated its deep regret concerning the unilateral action by ITU; (b) deplored the fact that not only had the first instalment of SPA under Staff Regulation 3.8 (b) been paid, after ICSC and the GA had expressed strong opposition to such action, but that it was now proposed to pay a second instalment; (c) reaffirmed that the unilateral action by ITU should not constitute a precedent *[A/47/30, para. 43]*. As to the GA request for proposed measures to enforce and enhance respect for and adherence to the common system, ICSC considered that the most effective measure would be for it to be invited to attend the meetings of the governing bodies of all organizations when proposals pertaining to salaries, allowances, benefits and other conditions of employment were discussed. It recalled that it had made earlier recommendations to the organizations along those lines. The only way ICSC could be absolutely sure of being invited to participate in these meetings, however, would be for the GA to make such invitations a mandatory requirement for all organizations *[A/47/30, para. 38]*. ICSC therefore recommended that the GA make it mandatory for all organizations to invite ICSC to be represented at meetings, where proposals relating to salaries, allowances, benefits and other conditions of service were being discussed. It accepted with appreciation the invitation of ITU to participate in its meetings, pending further classification of the participating status of ICSC. ICSC also decided in this context to undertake a review of organizations staff rules and regulations, with a view to identifying serious discrepancies *(see also section 10.10) [A/47/30, para.43]*.

In **resolution 47/216** the GA, noting with regret that a further SPA payment had been made to ITU staff, in spite of the views expressed by the GA against such action: (a) reaffirmed the central role of the GA with regard to the elaboration of conditions of service for the UN common system as a whole and that of ICSC as the independent technical body responsible to the GA for the regulation and coordination of the conditions of service of the GA; (b) noted with satisfaction the efforts made by ICSC to enhance its contacts within the common system; (c) endorsed the ICSC view concerning the impact on the common system of resolution no. 1024 of the ITU Administrative Council with respect to the payment of SPA;

(d) urged the governing bodies and executive heads of all common system organizations to ensure that ICSC was invited in its own right to be represented at meetings where proposals pertaining to salaries, allowances, benefits and other conditions of service were to be discussed.

1993 **37th session (March)**: ICSC examined a comprehensive overview, prepared by its secretariat, of the status of implementation of its decisions and recommendations as at end of 1992 *(ICSC/37/R.13 and Add.1)*. Items on which uniform application had been reported at the time of the previous monitoring exercise (1989) were not included, and others, where uniform application was already known to exist,

were excluded from the survey. Information on the consideration by common system organizations of ICSC annual reports was also given in the documentation *[A/48/30, paras. 244-246]*.

ICSC noted that the current exercise focused on job classification and other human resources management issues, with a view to reactivating the ICSC mandate in that area as called for in recent GA resolutions. The overall rate of implementation of its decisions and recommendations was rather positive, particularly with regard to matters falling under articles 10, 11 and 12 of its statute. Divergencies of practice in those areas existed with respect to: the currency of the entitlement in which education grant advances and claims were computed and paid; the additional steps beyond the salary scale granted by ILO and WHO, and coordination of the implementation of GS salary scales at the duty station level. ICSC took note of the organizations' application of the methodology it had approved in 1991 to determine the pensionable remuneration of ungraded officials. On the basis of an analysis of the documentation and having taken into account the views of the organizations, ICSC reported to the GA as follows: (a) CCAQ had initiated a review of the harmonization of practices among the organizations regarding the currencies of payment of the education grant; (b) the WHO World Health Assembly had taken a decision at its May 1993 session with regard to extra meritorious within-grade increases (further details on this matter are to be found in section 9.70); (c) ICSC had requested ILO to bring its practice with respect to extra steps beyond the salary scale into line with that of the common system; (d) ICSC had taken note of the information provided by the organizations regarding the pensionable remuneration of ungraded officials; (e) ICSC had requested the organizations concerned to coordinate the implementation, at the duty station level, of the GS salary scales recommended by ICSC; (f) the organizations had been invited to participate actively in the forthcoming revision of the CCOG and to complete the implementation of the CCOG coding scheme for all posts; (g) the organizations had been requested to reassess ways to establish links between occupational skills requirements and skills rosters of staff members; (h) those organizations that had not already done so had been requested to issue written instructions to staff members informing them that the acceptance of supplementary payments contravened staff regulations, and all organizations had been requested to monitor the situation on an ongoing basis *[A/48/30, paras. 243-246 and 261]*.

1994 **39th session (February)**: ICSC considered documentation providing information on the resolutions and decisions of the legislative and governing bodies of common system organizations on matters relevant to the ICSC work programme *(ICSC/39/R.2 and Adds.1 and 2)*. It noted with satisfaction (a) the evidence in the documentation of increasing coordination between the GA and other legislative organs of the common system; (b) action taken by several organizations on improving the status of women *[ICSC/39/R.10, para. 35]*.

1994 40th session (June/July): ICSC had been informed at its 39th (February/March) session that the *ad hoc* measures for the Rome post adjustment, which it had approved at its 37th session *(see section 2.1.70)* had been discontinued by the Chairman as of 1 February 1994, in accordance with the conditions stipulated by ICSC. At its 40th session, ICSC was informed that the FAO administration, however, considered that these conditions had not been met and FAO staff had been informed that the FAO/DG, pending satisfactorily documented justification, had decided that *ad hoc* measures should continue to apply. As the FAO decision had been taken without any previous consultation with the ICSC Chairman or its secretariat, an exchange of correspondence had ensued. The consultations had not led to a satisfactory solution of the problem *[A/49/30, paras. 370-372]*.

ICSC noted that under article 11 (c) of the statute, the authority for the classification of duty stations for the purpose of applying post adjustment was vested in ICSC. Under article 18 of the statute ICSC had delegated, *inter alia*, that responsibility to its Chairman. ICSC was satisfied that its Chairman had acted within the framework of the ICSC statute and in accordance with the powers delegated to him. On the basis of a consideration of the issues involved, ICSC concluded that its declared intentions as

regards the discontinuation of the special measures had been fully satisfied when the Chairman had decided to discontinue these measures. It therefore agreed that the decision by the Chairman had been taken under the authority delegated to him. ICSC decided: (a) to reiterate that, under article 11 (c) of the ICSC statute, the authority for the classification of duty stations for the purpose of applying PA was vested in ICSC. Consequently, the authority for the establishment of *ad hoc* special measures and their discontinuation rested solely with ICSC and, by delegated authority, with its Chairman; (b) to discontinue forthwith the *ad hoc* measures for the Rome PAC approved by ICSC in March 1993; (c) that *ad hoc* measures similar to those implemented in the case of Rome should not be applied at any duty station to deal with problems those measures were intended to address. A consistent methodology should be developed to deal with such situations in a systematic manner. In that connection a working group composed of the ICSC secretariat and the representatives of the organizations and staff should be convened to address specific issues pertaining to urgent situations such as substantial and abrupt devaluations of the local currency; (d) that a place-to-place PA survey should be carried out in Rome in the second half of September 1994 on the basis of the current methodology, including for the comparison of housing costs *[A/49/30, paras. 381-390]*.

The GA by **resolution 49/223**, recalling resolutions 46/191A (1991) and 47/216 (1992) in which it had urged the governing bodies and executive heads of all organizations to ensure that ICSC was invited in its own right to be represented at meetings where proposals pertaining to salaries, allowances, benefits and other conditions of employment were to be discussed: (a) noted with regret in this regard that the ILO had not consulted with ICSC before putting forward a proposal on personal promotions; (b) regretted also the recent decision of FAO which was not in line with the ICSC decision and called upon all the concerned governing bodies to adhere to the obligations of their organizations towards the common system; (c) reiterated its request to the executive heads of the organizations to consult with ICSC and UNJSPB prior to putting forward the proposals of their respective governing bodies relating to conditions of service, in order to avoid action inconsistent with the common system and to make every effort to enable ICSC representatives to present the ICSC view to any relevant intergovernmental bodies.

1995 **41st session (May)**: ICSC considered an interim monitoring report *(ICSC/41/R.14 and Corr. 1)* prepared by its secretariat. It noted that the document presented a generally positive picture of adherence to ICSC decisions and recommendations. It confirmed the importance of the monitoring exercise and looked forward to receiving a comprehensive report in 1997 *[ICSC/41/R.19, para. 367]*. With regard to the subjects covered in the report, ICSC decided to take the following action: (a) language incentive *(see also section 3.60)*: (i) to take note of the information presented by the organizations, pending further review as requested by the GA in resolution 48/224; (ii) to note with appreciation the action taken by WIPO to bring its language incentive scheme into line with ICSC parameters; (iii) to invite those organizations which had not done so to introduce mechanisms for periodic retesting for language proficiency; (iv) to reaffirm that the basic rationale for language incentives should be to encourage the practical use and application of languages in the interest of improved organizational effectiveness; (b) long-service/merit steps *(see also section 2.3.20)*: (i) to note the action taken by the ILO and WHO to bring their practices with regard to long-service and meritorious increases into line with that of other organizations; (ii) to reiterate its earlier recommendations that organizations granting merit increments should discontinue them in favour of lump-sum bonuses; (c) post adjustment and rental subsidy thresholds *(see also section 2.1.70 and 2.1.72)*: to note the confirmation by organizations that they were implementing PA classifications and rental subsidy thresholds as promulgated; (d) General Service salary surveys *(see also section 2.2.20)*: to take note of the information presented; (e) implementation of job classification standards *(see also section 8.3.10 and 8.3.60)*: (i) HQ duty stations: to note a generally satisfactory rate of implementation of job classification standards and request organizations that had not yet done so to ensure the timely and full implementation of the relevant standards; (ii) non-HQ duty stations: a. to take note of the

positive experience reported by the organizations in the use of the global classification standard for non-HQ duty stations; b. to take note of the information on the implementation of the standards; c. to invite organizations that had not yet done so to ensure the timely and full implementation of the standard; (f) administration of job classification: (i) to note with appreciation the efforts made to promote the understanding of the job classification system by management and staff and to invite the secretariat and the organizations to pursue their efforts in that area; (ii) to note the efforts of the organizations to provide assistance to programme managers in organizational/job design; (iii) to request the secretariat to investigate with the organizations the possibility of organizing a workshop on the subject; (g) Common Classification of Occupational Groups *(see also section 8.1.20)*: (i) to take note of the information on CCOG implementation and the development of linkages between job classification and other areas of human resources management; (ii) to express satisfaction at the generally high rate of CCOG implementation and to invite organizations concerned that had not yet done so to expedite the completion of CCOG coding; (iii) to request the secretariat to complete its review of CCOG as soon as possible, with a view to assisting the organizations to build better linkages between job classification and other components of human resources management; (h) linked grades *(see also section 8.1.60)*: to reiterate that the use of linked grades was unnecessary; (i) personal promotions *(see also section 9.50)*: recalling that in 1984 it had agreed to the award of personal promotions as an exceptional measure and had prescribed strict parameters for them, decided: (i) to reaffirm that, in general, it did not advocate the use of personal promotions; (ii) to confirm that it foresaw that the exceptional reasons that might lead to the award of personal promotions would be dealt with within the framework of other reward and recognition programmes; (iii) to revert to the matter in the context of its 1997 review of performance management measures; (j) supplementary payments *(see also section 2.1.100)*: to take note of the information presented at the current session and to note the secretariat's intention to prepare a more detailed report on the subject for consideration at the 42nd session in the context of the examination of the Noblemaire principle *[ICSC/41/R.19, para. 371] (Also covered in A/50/30, paras. 346-353)*.

42nd session (July/August): ICSC recalled that at its 41st session, in the context of its review of the implementation of its recommendations and decisions, the Chairman of CCAQ had reported that "there had been an important change in respect of the treatment of education grant payments in the UN and the UN programme organizations. Henceforth, the UN would also treat education grant claims like the vast majority of organizations, i.e., on the basis of each separate currency". The secretariat had been informed that since then the UN appeared to have changed its position on that matter. ICSC noted the information, recalling also the statement by the representative of ITU at that session that the matter of education grant payment was complex and should be investigated further at the appropriate administrative level. It considered that the matter should be referred to CCAQ for the necessary consultations and suggested that CCAQ inform ICSC of the outcome of those consultations in conjunction with the review of the level of the education grant scheduled for its 44th session *(see also section 4.10) [ICSC/42/R.19, paras. 58-60]*.

1996 **44th session (July/August)**: ICSC was informed by its Chairman that a letter dated 24 July 1996 had been received from the UNESCO/ADG stating that the DG had decided to submit the issue of automatic application of the decisions and recommendations of ICSC to the UNESCO Executive Board and to suspend the application of the revised PA classification for Paris which the Chairman had promulgated effective 1 May 1996 *(see section 2.1.70).*

ICSC reviewed the legal context attaching to the issue. The ICSC statute, *inter alia,* established the legal framework for the organizations' responsibilities vis-à-vis ICSC, the common system and the staff. UNESCO had accepted the statute in June 1975. All organizations which had accepted the statute were legally bound by its provisions and had an obligation to implement ICSC decisions. There was no

reason for UNESCO to consider that it could be exempt from fulfilling these obligations *[A/51/30, para. 307]*.

ICSC noted that UNESCO had heretofore always respected ICSC decisions and supported the common system. UNESCO's non-compliance with the ICSC decision was a violation of the ICSC statute. Its action at the present time concerned implementation of the PA for Paris applicable to UNESCO staff. However, a significantly larger issue, i.e. the authority of ICSC to take decisions within the framework of the statute and the obligation of the organizations to implement such decisions, had been raised. ICSC hoped that the UNESCO/DG would reconsider his decision. It requested the Chairman to communicate its unanimous views to the UNESCO/DG *[A/51/30, paras. 315-316]*.

1997 **46th session (July):** ICSC took note of the overall high level of compliance of the organizations with the Commission's decisions. It was found that provisions for salaries and allowances were applied uniformly throughout the common system. The secretariat organized, in 1997, information in a database on compliance by the organizations with ICSC decisions and their practices in respect to ICSC recommendations. ICSC requested the secretariat to give priority to the reactivation of work under article 14 of its Statute, with a view to responding to the GA's request in its resolution 51/216 in which the GA had called upon ICSC to take the lead in analysing new approaches in the human resources field *[A/52/30, para. 297]*.

2000 **52nd session (July/August):** The Commission had before it information related to decisions and/or recommendations taken between 1997 and 1999. [ICSC/52/R.14 and ICSC/52/CRP.7]. The subjects reviewed were: a) Non-removal element of the mobility and hardship scheme; b) Increase in amount of hazard pay for internationally recruited staff; c) Mission subsistence allowance; d) Daily subsistence allowance standards; e) General Service salary surveys; f) Implementation of General Service and related category job classification standards at headquarters duty stations, the ICSC Master Standard and CCOG for both categories of staff including National Professional Officers; g) Gender balance /work family issues; h) Appointments of limited duration; i) Performance management. The Commission requested in future that the document be made available well in advance of the session to permit questions about the information in the database and have the replies incorporated into the report before its formal consideration. The Commission also requested that the item be scheduled early in the session to provide the opportunity to discuss the issues directly with the organizations. The Commission regretted that the response from the organizations was not more complete, noting that almost half of them had not provided input to the report. The Commission took note of the information relating to implementation of its decisions and recommendations and decided to revert to the matter in 2002, as the information was not complete. [A/55/30,

2001 **53rd session (August**): The Commission considered documentation in response to General Assembly resolution 55/223 of 20 December 2000 on the common system *[ICSC/53/R.2*]. The Commission was also provided with the details of the ICSC Chairman's presentation of the twenty-sixth annual report of the Commission *[A/55/30]* to the Fifth Committee of the General Assembly, the general debate thereon in the Fifth Committee and the informal consultations among Member States leading to the adoption of the consensus resolution on the common system. Details were also provided on various resolutions and/or decisions adopted by the governing bodies of the organizations of the common system that could be of interest to the Commission *[ICSC/53/R.2/Add.1]*. In that context, the resolutions/decisions adopted by the United Nations, the World Intellectual Property Organization (WIPO) and the World Meteorological Organization (WMO) were brought to the attention of the Commission *[A/56/30, paras. 9-10]*.

2002 **54th session (April-May**): The Commission considered a report on the actions taken by the General Assembly at its fifty-sixth session, concerning the common system [ICSC/54/R.2]. The Commission was also provided with the details of the presentation by its Chairman of the twenty-seventh annual

report of the Commission to the Fifth Committee of the General Assembly, the general debate thereon in the Fifth Committee and the informal consultations held among Member States, which led to the adoption by consensus of resolution 56/244 of 24 December 2001, on the common system. Details were also provided on resolutions and/or decisions adopted by the governing bodies of the organizations of the common system that could be of interest to the Commission [ICSC/54/R.2/Add.1]. In that context, the resolutions adopted by the International Atomic Energy Agency (IAEA) and the International Telecommunication Union (ITU) were brought to the Commission's attention [A/57/30, paras. 7-8].

2003 **56th session (March-April)**: The Commission had before it documentation on the actions concerning the common system taken by the General Assembly at its fiftyseventh session and details on resolutions and/or decisions adopted by the governing bodies of the organizations that could be of interest to the Commission [ICSC/56/R.2 and Add.1]. The Commission was also provided with the details of the presentation by its Chairman of the twenty-eighth annual report of the Commission3 to the Fifth Committee of the General Assembly, the general debate thereon in the Fifth Committee and the informal consultations among Member States, which led to the adoption by consensus of General Assembly resolution 57/285 of 20 December 2002, on the common system. Decisions taken by the Executive Board of the World Health Organization, the World Health Assembly, the Coordination Committee of the World Intellectual Property Organization and the Executive Board of the United Nations Educational, Scientific and Cultural Organization were brought to the attention of the Commission [A/58/30, paras. 7-8].

2004 **58th session (March-April)**: ICSC considered a report on the actions concerning the United Nations common system taken by the General Assembly at its fifty-eighth session [ICSC/58/R.2]. The Commission was also provided with the details of the presentation by its Chairman of the twenty-ninth annual report of the Commission to the Fifth Committee of the General Assembly, the general debate thereon in the Fifth Committee and the informal consultations held among Member States, which led to the adoption by consensus of General Assembly resolution 58/251 of 23 December 2003, on the common system. Details were provided on resolutions and/or decisions adopted by the governing bodies of the organizations of the common system that could be of interest to the Commission [ICSC/58/R.2/Add.1]. In that context, the decisions of the Executive Board and World Health Assembly of the World Health Organization (WHO) were brought to the attention of the Commission [A/59/30, Vol. I, paras. 7-8].

2005 **60th Session (February – March)** ICSC considered a report [ICSC/60/R.2] on the actions concerning the United Nations common system taken by the General Assembly at its fifty-ninth session. The Commission was also provided with the details of the presentation by its Chairman of the thirtieth annual report of the Commission to the Fifth Committee of the General Assembly, the general debate thereon in the Fifth Committee and the informal consultations held among Member States, which led to the adoption by consensus of General Assembly resolution 59/268 of 23 December 2004, on the common system. Details were provided on resolutions and/or decisions adopted by the governing bodies of the organizations of the common system that could be of interest to the Commission [ICSC/60/R.2/Add.1]. In that context, the decisions of the governing bodies of the World Intellectual Property Organization (WIPO), the United Nations, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the International Civil Aviation Organization (ICAO) were brought to the attention of the Commission [A/60/30, paras. 7-8].

2006 **62nd Session (March)** In document [ICSC/62/R.2] ICSC was provided a short report on the General Assembly debate concerning items relating to the United Nations common system at the General Assembly sixtieth session up to the point at which further consideration was deferred to the resumed part of the sixtieth session of the Assembly. The Commission was also provided with the details of the presentation by its Chairman of the thirty-first annual report of the Commission to the Fifth Committee

of the General Assembly, the general debate thereon in the Fifth Committee and the informal consultations held among Member States. Details were provided on resolutions and/or decisions adopted by the governing bodies of the organizations of the common system that could be of interest to the Commission [ICSC/62/R.2/Add.1]. In that context, the decisions of the governing bodies of the United Nations, Food and Agricultural Organizations (FAO), the International Civil Aviation Organization (ICAO), the Universal Postal Union (UPU) and the Office of the United Nations High Commissioner for Human Rights were brought to the attention of the Commission [A/61/30, paras. 7-8].

2007 **64th Session (March))** ICSC considered a report [ICSC/64/R.2] on the debate which took place in the informal sessions of the Fifth Committee of the General Assembly concerning the United Nations common system which resulted in the adoption of General Assembly resolution 61/239 of 8 February 2007. The Commission was also provided with the details of the presentation by its Chairman of the thirty-second annual report of the Commission to the Fifth Committee of the General Assembly, the general debate thereon in the Fifth Committee and the informal consultations held among Member States. In addition, details were provided on resolutions and/or decisions adopted by the governing bodies of the organizations of the common system that could be of interest to the Commission [ICSC/64/R.2/Add.1]. In that context, the decisions of the governing bodies of the United Nations, the United Nations Industrial Development Organization (UNIDO) and the Universal Postal Union (UPU) were brought to the attention of the Commission [A/62/30, paras. 7-8].

2008 **66th Session (March – April)** ICSC considered a report [ICSC/66/R.2] on the actions concerning the United Nations common system taken by the General Assembly at its sixty-second session. The Commission was also provided with the details of the presentation by its Chairman of the thirty-third annual report of the Commission to the Fifth Committee of the General Assembly, the general debate thereon in the Fifth Committee and the informal consultations held among Member States, which led to the adoption of General Assembly resolution 62/227 of 28 February 2008 on the common system. The Commission was also informed that a number of questions which had been deferred to the Assembly's sixty-third session were addressed [A/63/30, Chapter VI]. In addition, details were provided on resolutions and/or decisions adopted by the governing bodies of the organizations of the common system that could be of interest to the Commission [ICSC/66/R.2/Add.1]. In that context, the decisions of the governing bodies of the Food and Agricultural Organization (FAO), World Health Organization (WHO), Universal Postal Union (UPU), World Meteorological Organization (WMO), and International Civil Aviation Organization (ICAO) were brought to the attention of the Commission. The Commission however noted with regret, that information concerning the implementation by organizations of the Commission's recommendations was provided by only 13 common system organizations and therefore instructed its secretariat to work more closely with the secretariat of the United Nations System Chief Executive Board for Coordination with a view to obtaining data in a timely fashion in line with its monitoring role under article 17 of its statute [A/63/30, paras. 8-9].

2009 **68th Session (March – April)** ICSC considered a report [ICSC/68/R.2] on the actions concerning the United Nations common system taken by the General Assembly at its sixty-third session. The Commission was provided with details of the presentation by its Chairman of the thirty-fourth annual report of the Commission to the Fifth Committee of the General Assembly, the general debate thereon in the Fifth Committee and the informal consultations held among Member States, which led to the adoption of General Assembly resolutions 63/251 of 16 March 2009 and 63/250 of 10 February 2009 on the common system and the United Nations Secretariat respectively. In addition, details were provided on resolutions and/or decisions adopted by the governing bodies of the organizations of the common system that could be of interest to the Commission [ICSC/68/R.2/Add.1]. In that context, the decisions of the governing bodies of the United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Children's Fund (UNICEF), International

Telecommunications Union (ITU), the Universal Postal Union (UPU) and the Pan American Health Organization (PAHO) were brought to the attention of the Commission [A/64/30, paras. 7-8].

2010 **70th Session (February - March)** ICSC considered a report [ICSC/70/R.2] on the actions concerning the United Nations common system taken by the General Assembly at its sixty-fourth session. The Commission was provided with details of the presentation made by the Vice Chair on behalf of the Chair of the Commission regarding the thirty-fifth annual report of the Commission to the Fifth Committee and the informal consultations held among Member States. This led to the adoption of the General Assembly resolution 64/231 of 15 March 2010 on the common system. In addition, details were provided on resolutions and/or decisions adopted by the governing bodies of the organizations of the common system that could be of interest to the Commission [ICSC/70/R.2/Add.1]. In that context, the decisions of the governing bodies of the International Labor Organization (ILO), the United Nations Industrial Development Organization (UNIDO) and the Universal Postal Union (UPU) were brought to the attention of the Commission [A/65/30, Chapter II].

2011 **72nd Session (March - April)** ICSC considered a report [ICSC/72/R.2] on the actions concerning the United Nations common system taken by the General Assembly at its sixty-fifth session. The Commission was provided with details of the presentation by its Chairman of the thirty-sixth annual report of the Commission to the Fifth Committee of the General Assembly, the general debate thereon in the Fifth Committee and the informal consultations held among Member States, which led to the adoption of General Assembly resolution 65/248 of 31 January 2011 on the common system. In addition, details were provided on resolutions and/or decisions adopted by the governing bodies of the organizations of the common system that could be of interest to the Commission [ICSC/72/R.2/Add.1]. In that context, the decisions of the governing bodies of the United Nations, United Nations Children's Fund (UNICEF), World Health organization (WHO), Pan American Health Organization (PAHO), International Civil Aviation Organization (ICAO) and the United Nations Industrial Development Organization (UNIDO) were brought to the attention of the Commission [A/66/30, para. 7].

2012 **74th Session (February – March)** ICSC considered a report [ICSC/74/R.2] on the actions concerning the United Nations common system taken by the General Assembly at its sixty-sixth session. The Commission was provided with details of the presentation by its Chairman of the thirty-seventh annual report of the Commission to the Fifth Committee of the General Assembly, the general debate thereon in the Fifth Committee and the informal consultations held among Member States, which led to the adoption of General Assembly resolution 66/235 of 27 January 2012 on the common system.

2013 **76th Session (February-March)** ICSC considered a report [ICSC/76/R.2] on the actions concerning the United Nations common system taken by the General Assembly at its sixty-seventh session. The Commission was provided with details of the presentation by its Chairman of the thirty-eighth annual report of the Commission to the Fifth Committee of the General Assembly, the general debate thereon in the Fifth Committee and the informal consultations held among Member States, which led to the adoption of General Assembly of decisions 67/551 and 67/552 of 24 December 2012. In decision 67/551, the General Assembly requested the Commission to maintain the current New York post adjustment multiplier until 31 January 2013, with the understanding that the normal operation of the post adjustment system would resume on 1 February 2013. In decision 67/552, further consideration of the Commission's report was deferred to the resumed part of its sixty-seventh session in early March.

77th Session (July – August) ICSC considered a report [ICSC/77/R.2] on the actions concerning the United Nations common system taken by the General Assembly at its resumed session in March which led to the adoption of General Assembly resolution 67/257 of 3 June 2013 on the common system.

The Commission also considered a report on the implementation of decisions and recommendations of the ICSC as well as resolutions and/or decisions adopted by the governing bodies of the organizations

of the common system that could be of interest to the Commission [ICSC/77/R.13]. In that context, the decisions of the governing bodies of the United Nations, United Nations Children's Fund (UNICEF), the Food and Agricultural Organization (FAO), International Civil Aviation Organization (ICAO), the International Labor Organization (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the World Tourism Organization (UNWTO) were brought to the attention of the Commission.

CHAPTER 13
OTHER ISSUES

SECTION 13.10
STANDARDS OF CONDUCT OF THE INTERNATIONAL CIVIL SERVICE

1981 **14th session (July)**: At the request of the ILO/DG, ICSC considered the question of the standards of conduct of the international civil service. The representative of ILO reported that the ILO was concerned about the deterioration of the standards of conduct of international civil servants due, in part, to pressure from national administrations on their citizens serving as international civil servants and, in part, to actions by staff members themselves. He requested that ICSC reissue the report on the subject that had been prepared by ICSAB in 1954 1, in order to remind all concerned of the essential elements of conduct and behaviour expected of international civil servants. In noting that the report had been originally prepared at the request of ACC, ICSC requested ACC to review the report and to advise ICSC of its findings *[A/36/30, paras. 257-259]*.

1982 *In July, CCAQ agreed on the text of a new preface to the ICSAB report. It was agreed that henceforth, when issuing the report, organizations would use this text [CCAQ Handbook, section 11.1, para. 2]*.

1998 **47th session (April/May):** ICSC examined, as a matter of priority, a code of conduct proposed by the Secretary-General *(A/52/488)*, as requested by the GA in its **decision 52/461** of 31 March 1998. ICSC held a general exchange of views on the issue, and decided to form an open-ended Working Group of the Whole with participation of the CCAQ secretariat, organizations and CCISUA *[ICSC/47/R.17, paras.44-47 and annex III thereof]*. The GA's request had underscored a need for updating of the 1954 ICSAB Standards of Conduct. As the item already appeared on its programme of work, ICSC agreed that it would undertake such an update and do so in collaboration with CCAQ, which had also decided to review the standards. ICSC considered that it would have been preferable to have reviewed the ICSAB Standards prior to the proposed UN Code of Conduct. As it was evident that a review of the Standards could not be completed at the 47th session, ICSC limited the scope of its review to the proposed UN Code and specifically, the proposed amendment to article I of the UN Staff Regulations and chapter I of its Staff Rules.

ICSC reached conclusions on a number of provisions of the proposed Code of Conduct. It wished to make a distinction between a core of commons standards, which, in its view, should govern the entire civil service, and specific regulations and rules, which might vary, depending on the different needs of the individual organizations. It also decided to place on its work programme the updating of the 1954 ICSAB Standards of Conduct in collaboration with CCAQ, noting that such a review might lead to more changes in the regulations and rules. It further decided to follow up with the organizations to ascertain what initiatives, if any, were being undertaken or planned with respect to the development of ethical standards.

ICSC recommended that the UN might proceed with the proposed amendment to its Staff Regulations and Rules, bearing in mind ICSC's views, and on the understanding that the revised text was applicable to the UN only and not to other organizations. ICSC further recommended that the UN replace the term "Code of Conduct", which could be misunderstood, by another, more appropriate designation *[A/52/30, Addendum]*.

In its **resolution 52/252** the GA took note with appreciation of the comments provided by the ICSC on the proposed Code of Conduct, noted ICSC's decision to place a review of its Standards of Conduct on its work programme, and was looking forward to the results of this review.

48th session (July/August): ICSC decided to create a working group to examine a framework for human resources management. One of the two priority areas of work identified was ethics, which contained the review of the Standards of Conduct *[A/52/30, paras. 273-274 and annex XI, para.4]*.

1999 **49th session (April):** As noted by the GA, in its **resolution 52/252**, ICSC decided at its 47th session to update the 1954 ICSAB report, entitled Standards of Conduct in the International Civil Service, in consultation with the organizations. Although the proposed standards *(ICSC/49/R.9)* largely reproduced the contents of the 1954 Standards, changes had been made in several areas. New sections dealing with gender equality, harassment, conflict of interest and protection of confidential information had been added. Provisions of the 1954 Standards that were dated or did not reflect current realities had been omitted.

ICSC noted that the draft standards dealt, in modern and concise language, with new developments and concepts that had not existed, or were of lesser importance, at the time that the 1954 Standards were written. ICSC considered that whereas the earlier approach was appropriate to its times, a more practical, less theoretical approach was more in keeping with current trends and practices in national civil services and other forums. ICSC agreed that the purpose of updating and modernizing the Standards was to promote ethical behaviour. The proposed standards should therefore take a less punitive approach and focus more on the encouragement of proper behaviour. Fair and open management, characterized by transparent procedures, was increasingly at the very basis of public service ethics *[A/54/30, para. 197]*.

In its **resolution 54/238**, the GA took note of the ICSC decisions: to report to the GA in 2000 to ensure the fullest participation and support of the organizations and the staff in the process; and to form a two-tier working group on the subject.

2000 **51st session (April):** In resolutions 52/252 and 54/238, the General Assembly noted the International Civil Service Commission's intention to update the 1954 report of the International Civil Service Advisory Board (ICSAB), entitled Standards of Conduct in the International Civil Service, in consultation with the organizations. A working group established by the Commission prepared draft standards based on a document by the ICSC secretariat on which ICSC had earlier provided comments. The standards were reviewed, revised and adopted by ICSC at its fifty-first session (April 2000), pending final comments from the organizations' legal advisers to ensure that the Commission's revisions were consistent with the organizations' legal instruments and legislative framework. ICSC/51/R.11]

52nd session (July/August): The Commission observed that some organizations had provided comments between sessions on the revised draft [ICSC/52/R.13]. It was further evident to the members that at the current stage the organizations had not reached consensus among themselves on the standards and that they were not prepared to finalize the standards. The Commission took account of the request by CCAQ on behalf of the organizations to provide them with the opportunity of a final review to present specific comments and therefore decided to postpone the matter until next year, at which time ICSC was committed to completing it. The Commission again called upon the organizations to present their complete views and, to the extent possible, reach consensus on the draft before the matter was taken up at its next session at which time the Commission would finalize the standards and go forward with its proposal to the General Assembly in 2001 [A/55/30, paras. 20-31].

In resolution **A/55/223**, the General Assembly noted the decisions of the Commission [A/55/30, para. 31] and urged organizations to reach consensus on draft standards of conduct in sufficient time so as to enable the Commission to finalise the text to be submitted to the General Assembly at its fifty-sixth session, and emphasized that the proposed standards should ensure that the staff uphold the principles of integrity, impartiality and independence.

2001 **53rd session (June):** After taking into account the views of the Administrative Committee on Coordination, the organizations and the representatives of all staff, the Commission decided to adopt the standards of conduct set out in annex II to the report of the International Civil Service Commission for the year 2001.

In its **resolution 56/244** the General Assembly welcomed the standard of conducts as set out in annex II of the Commission report [A/56/30]

2009 **69th session (June/July):** After reviewing information from its secretariat regarding recent developments in the organizations of the United Nations common system to address current ethical challenges , (ICSC/69/R.3), the Commission decided to request its secretariat to work with organizations and representatives of staff federations to undertake an initial review of the ICSC Standards of Conduct to ensure that they continue to meet the needs of the organizations and to define areas that might need updating [A/64/30, para. 35].

2010 The General Assembly requested the ICSC to consider standards of conduct in the context of its 2011 programme of work and report; [A/RES/ 65/247 Section XI, paragraph 78],

2012 **74th session (February/March):** The Commission decided to submit to the General Assembly for its approval the revised standards of conduct for the international civil service, as contained in annex IV of its report [A/67/30].

The Commission also decided that after approval by the General Assembly, it would:

(a) Request organizations to implement the revised standards of conduct as of 1 January 2013;

(b) Request organizations to reflect the revised standards of conduct in their legal framework as well as reinforce them through staff regulations and rules;

(c) Request its secretariat to monitor implementation of the revised standards in the organizations of the United Nations common system and provide a status report thereon at the 2015 summer session;

(d) Highlight the importance of developing and implementing a set of common post-employment policies in the organizations of the United Nations system and the United Nations System Chief Executives Board of Coordination (CEB) to prevent any conflict of interest [A/67/30, para. 72].

The General Assembly,

Recalled paragraph 78 of its resolution 65/247 of 24 December 2010, in which it requested the Commission to consider standards of conduct in the context of its 2011 programme of work,

Approved, with effect from 1 January 2013, the revised standards of conduct for the international civil service contained in annex IV to the report of the Commission [GA resolution A/RES/67/257, section A.3].

2015 **81st session (July)**: The Commission considered an item on Monitoring of the implementation of decisions and recommendations of the International Civil Service Commission, the General Assembly and the legislative or governing bodies by organizations of the United Nations common system. Regarding the Standards of Conduct for the International Civil Service endorsed by the Commission and subsequently approved by the General Assembly A/70/30 15-12040 21/142 in its resolution 67/257, the Commission noted that not all organizations had implemented the new standards. The Commission considered that the standards deserved due attention and compliance, especially in light

of new concepts introduced, such as accountability at all levels. Although members noted that there was normally a time lag between decisions of the Commission and full implementation by all organizations, they emphasized that decisions needed to be implemented.

Decisions of the Commission:

The Commission underscored the need for organizations to implement its decisions in a timely manner and to submit information when sought. It also requested that organizations that had not yet done so act appropriately to implement the Standards of Conduct for the International Civil Service and report back on their status before the next session of the Commission (A/70/30, paras. 16-17).

2017 **84th session (March):** In regard to the issue of whistle-blower protection that was raised by CCISUA under other items, the Commission, referring to the recent review of the Standards of Conduct for the International Civil Service, decided that the matter would be considered to determine as to whether the language of the current Standards of Conduct made the appropriate reference to whistle-blower protection (ICSC/84/R.8, para. 117).

2022 94th session (July): The Commission considered a report prepared by its secretariat which provided a brief history and next steps to examine the current standards of conduct and make proposals for their revision in order to address current developments and challenges. [ICSC/94/R.15]

The Commission decided to:
(a) Undertake a revision of the current ICSC standards of conduct for the international civil service to ensure that they continue to meet the needs of the organizations;
(b) Endorse the proposed framework of action for the 2022–2023 review of standards of conduct;
(c) Form a working group, composed of members of the Commission, representatives of the organizations and staff federations, supported by the ICSC secretariat to examine the current ICSC standards of conduct and make proposals for their revision. [ICSC/94/R.15, para. 81]

SECTION 13.20
RECOMMENDATIONS OF THE GROUP OF HIGH-LEVEL INTER-GOVERNMENTAL EXPERTS TO REVIEW THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS ("GROUP OF 18")

1987 **26th session (July)**: ICSC had before it a document *(ICSC/26/R.12 and Add.1)* prepared by its secretariat recalling, *inter alia*, that by resolution 40/237 (1985), the GA had decided to establish a group of high-level intergovernmental experts to review the efficiency of the administrative and financial functioning of the UN ("Group of 18"). By resolution 41/213, the GA had decided, *inter alia*, that the SG should transmit to ICSC recommendations having a direct impact on the UN common system (recommendations 53 and 61), with the request that it report to the GA at its 42nd session, so as to enable the GA to make a final decision. The GA had also stated that the expertise of ICSC should be availed of in dealing with some other recommendations over which ICSC had a mandate to advise and make recommendations. In this regard, the Fifth Committee of the GA had identified recommendations 42, 43, 45, 48-50, 52, 55, 57, 58 and 60 as relating to issues over which ICSC had a mandate to make recommendations to organizations (articles 14 and 15 of the ICSC statute). In addition, the ICSC secretariat drew the attention of ICSC to five of the Group's other recommendations (4, 9, 46, 51 and 59), which, although not specifically referred to ICSC by the GA, might be of interest to it. As requested by ICSC, the documentation also contained a summary of all previous recommendations and decisions where further study was required *[A/42/30, para. 13]*. ICSC decided in regard to recommendations 53 and 61: (a) to recommend that the ICSC mandate should not be modified, since its monitoring function was already clearly covered by articles 1, 9, 13, 14 and 17 of its statute; (b) to reiterate its earlier recommendations regarding the education grant for post-secondary studies and to recommend that the existing entitlement not be changed; (c) to recommend that the current annual leave entitlement of 30 days per annum should not be changed *[A/42/30, para. 44]*. In respect of recommendations 42, 43, 45, 48-50, 52, 55, 57, 58 and 60, ICSC decided: (a) to advise the SG that it would study the issue of the harmonization of staff regulations under the proposed work programme for 1988-1989 and that it understood that the UN would coordinate its efforts in this area with those of ICSC and its secretariat (recommendation 42); (b) to reiterate its previous recommendations in the area of competitive examinations, interviewing techniques and testing of candidates and to advise that recommendation 43 was in line with those recommendations; (c) to welcome aminimum period of three years for a permanent appointment in the UN (recommendation 45); (d) to reiterate its previous recommendations on career development and to recommend that this should not be limited to occupational groups, but should also include related groups (recommendation 48); (e) to emphasize the necessity of encouraging mobility and linking it to career development (recommendation 49); (f) to recommend that the UN should take into account the framework of performance appraisal principles and guidelines adopted by ICSC at its 26th session (recommendation 50); (g) to reiterate its view that the mandatory age of separation from service should meanwhile be applied as strictly as possible pending its expected review of the subject (recommendation 52); (h) to reiterate its previous view that the ratio of permanent to fixed-term staff was an issue for the legislative bodies of organizations to decide upon on the basis of the different needs of each organization (recommendations 55 and 57); (i) to reiterate its previous recommendations regarding training, which should be used as guidelines for the implementation of recommendation 58 by the UN; (j) to emphasize that it would study the question of the administration of justice in the common system as included in its proposed work programme for 1988-1989 and that ICSC would report on this matter to the GA at its 44th session (recommendation 60) *[A/42/30, para. 45]*. With regard to recommendations 4, 9, 46, 51 and 59, ICSC decided: (a) to note the discrepancy between rule 4 of its rules of procedure and resolution 40/243, and to express the view that it had the flexibility to propose holding a meeting at a non-headquarters duty station if appropriate (recommendation 4); (b) to emphasize that the enhancement of the common system should be actively pursued through ACC and CCAQ and, at the field level, with the assistance of the Resident

Coordinator as well as through ICSC itself (recommendation 9); (c) to welcome recommendation 46, concerning the recruitment of women, which was in line with ICSC's previous recommendation in this area; (d) to note that recommendation 51, on promotion policy, was in line with ICSC's previous recommendations in this area, but to advise that appointment and promotion bodies should be composed of members from a number of occupational groups; (e) to note that the issue of the role, functions and financing of staff unions fell more within the purview of the individual organizations (recommendation 59) *[A/42/30, para. 45]*.

SECTION 13.30
SECURITY AND INDEPENDENCE OF THE INTERNATIONAL CIVIL SERVICE (SEE ALSO SECTIONS 2.1.100 ON SUPPLEMENTARY PAYMENTS AND 13.10 ON THE STANDARDS OF CONDUCT OF THE INTERNATIONAL CIVIL SERVICE)

1987 **26th session (July)**: ICSC had before it a note, prepared by CCISUA, that addressed the problem of the arbitrary arrest and detention of UN staff members at duty stations around the world and contained proposals as to how organizations should react in such cases. ICSC noted the action already taken by the GA and the initiatives undertaken by the SG and other executive heads to settle difficulties. It emphasized the fact that any paper prepared by the secretariat on this subject should be based on carefully checked evidence and facts. Its secretariat should closely consult on these matters with organizations concerned and the UN Office of Legal Affairs. ICSC requested its secretariat to carry out a study of the issue and to report to it at the 28th session *[A/42/30, paras. 345, 349 and 350]*.

1988 **28th session (July)**: ICSC reviewed the issue based on information in the annual reports of the SG to the GA on respect for the privileges and immunities of officials of the UN and the specialized agencies. It decided: (a) to request the organizations concerned to coordinate their policies regarding the preservation of contractual rights in cases of arrest and detention; (b) to invite the organizations to consider the introduction of pre-emptive measures to ensure that the privileges and immunities of officials of the UN and the specialized agencies were respected, such as the measures applied by UNRWA and as proposed by CCISUA; (c) to request the organizations to review the feasibility and usefulness of further coordinating their interventions before the Member States concerned in cases of arrest and detention; (d) to emphasize that Member States were bound, by the relevant Conventions on Privileges and Immunities and the UNDP Standard Basic Assistance Agreement, to protect the staff of the organizations; (e) to request the organizations to visit detained staff members as frequently as possible in order to reduce their sense of isolation; (f) to request its secretariat to bring to the attention of ICSC each year the annual reports of the SG to the GA on the matter [A/43/30, paras. 95 and 96].

SECTION 13.40
REPORTS OF BOARD OF AUDITORS

1998 In its **resolution 51/216**, the GA, recognizing that an audit of the work of ICSC had not been undertaken since its establishment, had called upon the Board of Auditors to conduct a management review of all aspects of the work done by the ICSC secretariat. ICSC dealt with the report of the Board of Auditors *[A/52/811, annex]* at both sessions in 1998. ICSC observed at the outset that the report was not a management audit of its secretariat as called for by the GA. It regretted that the report entered into areas that lay beyond the audit team's mandate, calling into question decisions of both ICSC and the GA. The task had been to review the work of the ICSC secretariat, including whether resources were being used as they should and whether those resources were sufficient, not to review the functioning of ICSC or the Member States, which was the prerogative of those bodies. Although the Board stated in its report that it had also reviewed and evaluated the manner in which the resources of the ICSC secretariat were deployed, a listing of the responsibilities of each Division did not constitute an evaluation of resource deployment. ICSC provided comments on all audit recommendations, and reported to the GA that it had responded in a positive manner to the majority of the recommendations contained in the report of the Board of Auditors. In the few cases where it felt that no action was necessary, it had provided cogent reasons. Several recommendations had either already been implemented by ICSC or were being implemented by the secretariat *[A/53/30, paras. 17-37]*. In **resolution 53/209**, the GA took note of the report of the Board of Auditors and ICSC's response to it. The GA requested the Board of Auditors to conduct audits of the secretariat of ICSC on a periodic basis in accordance with financial regulation 12.5 of the Financial Rules and Regulations and the Statute of ICSC.