

**REPORT OF THE SEVENTY-EIGHTH SESSION  
OF THE CONSULTATIVE COMMITTEE ON ADMINISTRATIVE QUESTIONS  
(PERSONNEL AND GENERAL ADMINISTRATIVE QUESTIONS)**

**INTRODUCTION**

1. The Consultative Committee on Administrative Questions (Personnel and General Administrative Questions) held its seventy-eighth session from 1 to 8 March 1993 at the United Nations in New York. Members of the Committee also attended the thirty-seventh session of the International Civil Service Commission (ICSC), which took place from 8 to 26 March 1993.
2. The session was attended by representatives of member organizations, the ICSC secretariat, the United Nations Joint Staff Pension Board (UNJSPB), the Federation of International Civil Servants' Associations (FICSA) and the Coordinating Committee for Independent Staff Unions and Associations (CCISUA). The list of participants is attached in annex I.
3. Mr. A.T. Slater (FAO) was elected Chairperson of the Committee and presided over the meeting. Mr. J.-P Baré (ITU) was elected Vice-Chairperson of the Committee.
4. On behalf of the Secretary-General, Mr. K. Walton (UN) welcomed members to the United Nations headquarters in New York. He noted the number of issues of special significance on the agenda which were closely linked to the work of the International Civil Service Commission and were a direct response to the requests of the Administrative Committee on Co-ordination addressed to CCAQ and ICSC to develop new approaches to conditions of employment of staff in the Professional and higher categories. The Secretary-General, in his annual report on the work of the organization, had underlined ACC's concerns in this area. The General Assembly, at its recent session, had been receptive to several of ACC's requests, most importantly the need to study all aspects of the application of the Noblemaire Principle. He expressed the hope that based on CCAQ's review of United Nations compensation philosophy as well as the salary structure, meaningful new solutions to the current problems could be proposed. Turning to the issue of the evolution of the margin and the impact of the introduction of the new procedure for determination of the cost-of-living differential between New York and Washington, he informed the Committee that the revised procedure had been favourably received by the Fifth Committee at its recent session. Among the issues on the agenda dealing with conditions of service of staff in the General Service and related categories, he underlined the need to find equitable solutions particularly with respect to the review of the methodology for salary surveys at non-headquarters duty stations and the further review of issues related to the pensionable remuneration of this category of staff.
5. The agenda as adopted by the Committee is contained in annex II.

6. The attention of the Administrative Committee on Co-ordination and of the Organizational Committee is drawn to the issues listed hereunder:

The application of the Noblemaire Principle (paras. 16-29)

The structure of the salary scale (paras. 30-40)

Special occupational rates: criteria and modalities for payment of special occupational rates (paras. 70-74)

### **STATUS REPORT ON ACC'S REVIEW OF THE "ROLE AND FUNCTIONING OF ACC AND ITS SUBSIDIARY MACHINERY"**

7. At its first regular session of 1992, ACC had agreed to undertake a review of its own role and functioning and had invited a consultant, Mr. Francis Blanchard, formerly Director-General of the International Labour Organisation, to prepare a paper containing suggestions on how ACC could be strengthened. The Committee had before it in CCAQ(PER)/78/CRP.4, Mr. Blanchard's preliminary report on the role and functioning of ACC and its subsidiary machinery, a copy of the letter of the Secretary-General to all executive heads concerning inter alia the question of the merger of CCAQ(PER) and CCAQ(FB) and relevant extracts from the draft summary of conclusions of the Organizational Committee.

8. The Committee was informed that Mr. Blanchard was reviewing further the mandate, the methods and programme of work of all ACC's subsidiary organs in order to maximize integration and avoid competition for resources among organizations. In Mr. Blanchard's view, the current structure no longer met common system needs. In the case of CCSQ, the merger of the operational and programme sides had already been achieved. The valuable roles played by PER and FB were undisputed. Nevertheless, Mr. Blanchard believed that an additional layer should be introduced into the system above personnel and finance and budget committees to deal with broad policy level issues. It was his intention to recommend that CCAQ(PER) and CCAQ(FB) become sub-committees of this new committee. The matter would be discussed at the spring session of ACC to which Mr. Blanchard would submit a follow-up report.

9. The Committee also noted the Organizational Committee's request that consultations be undertaken in preparation for a discussion of the relationship agreements between the United Nations and member organizations of the common system arising out of a request to the Economic and Social Council in resolution 45/191 B. The Committee requested its Secretary to inform the Organizational Committee that it could not identify any problems at the working level with the current relationship agreements.

**RESOLUTIONS AND DECISIONS OF THE GENERAL  
ASSEMBLY AT ITS FORTY-SEVENTH SESSION**

10. The Committee took note of document ICSC/37/R.2 and addenda informing the International Civil Service Commission of the action taken on matters of concern to it by the United Nations General Assembly at its forty-seventh session and by certain other governing bodies of organizations of the common system.

11. Inter alia, the Committee discussed section I, A, 4 of resolution 47/216 which urged "the governing bodies and the executive heads of all organizations to ensure that the Commission is invited in its own right to be represented at meetings where proposals pertaining to salaries, allowances, benefits and other conditions of employment are to be discussed". The Committee recognized that the General Assembly resolution had urged the organizations to consider inviting the ICSC to sessions and that it was up to each organization's governing body to decide if and when the Commission should be invited and in which capacity.

12. In connection with operative paragraph 3 of section III of the resolution, the ICSC secretariat confirmed the Committee's view that the interim adjustments to General Service salaries referred to were those which would become applicable after the next round of General Service salary surveys.

13. While satisfied that the proposals put forward in 1992 by ICSC and CCAQ had been approved by the forty-seventh General Assembly, including increases in dependency allowances and the education grant, some organizations had experienced difficulties in implementing some of ICSC's recommendations and the General Assembly's decisions because of a lack of clarity in their wording. The Committee agreed to ask its Secretary to request ICSC that, in future, (a) the article of the Statute under which decisions or recommendations were being made be cited; and (b) to the extent possible, prior consultation be undertaken with CCAQ through its secretariat to avoid divergent interpretations of such decisions.

14. Whilst acknowledging the role of the Fifth Committee in regulating the staff regulations and rules of the United Nations, the Committee requested that the Fifth Committee be reminded of the difficulties which arose if common system issues before them were treated only within the perspective of one organization. Difficulties of this nature had arisen, for example, in respect of the General Assembly's treatment in 1991 and 1992 of ICSC's recommendations on the remuneration and representation allowances of the ASG/USG levels which had consequences for staff at equivalent levels in all organizations of the common system.

15. In connection with the General Assembly's decisions in respect of the appointment of members of the International Civil Service Commission, the Committee recalled that, in its review of the functioning of ICSC, ACC had requested that the comments made by the consultative partners in the nomination process (i.e. the executive heads and the representatives of the staff) be appropriately reported to the Fifth Committee by the Secretary-General.

## **THE APPLICATION OF THE NOBLEMAIRE PRINCIPLE**

16. The Committee considered a note prepared by its secretariat (ACC/1993/PER/R.2 and addendum) pointing out those areas in which CCAQ might wish to request the Commission to give particular attention in its review of the application of the Noblemaire principle. The note also contained an up-dated comparison of United Nations pay levels with those of the Co-ordinated Organisations, the World Bank group and the European Community. ACC had repeatedly called for such studies and in a document to the Committee's seventy-sixth session the secretariat had suggested that "... the time has come to re-examine the application of the Noblemaire principle to the UN pay levels" (ACC/1992/PER/R.3 Add.1 (para. 33); see also ACC/1992/PER/R.4).

17. The Fifth Committee had struck a responsive chord in resolution 47/216. It had noted that in response to the request from ACC the comparison carried out by the Commission with other major international organizations outside the common system had indicated that the remuneration levels in those organizations were higher than those of the common system. It had invited the Commission also "to study all aspects of the application of the Noblemaire principle with a view to ensuring the competitiveness of the United Nations common system".

18. It was opportune to review the application of the Noblemaire principle in all its facets. From the historical perspective, it was evident that, strictly speaking, the Noblemaire Committee had not enunciated a principle. Such principle as there was, had been deduced from the 1921 report of the Committee of Experts on the Organization of the Secretariat. Since then a number of interpretations had followed. The consistent thread throughout, however, had been the notion of competitiveness and the need to attract staff of a high level of competence.

19. The Committee welcomed the analysis provided in the document. The General Assembly's request to ICSC to review the applicability of the Noblemaire principle provided the opportunity to examine these issues in much greater depth. CCAQ should move forward with urgency.

20. The historical references provided in the document served to highlight that comparison with a national civil service had been a matter of expediency. Moreover, the arguments presented over the years for taking a national civil service as a comparator - rather than, for example, a foreign service - were now in question. The type of work undertaken in the service of the United Nations and the agencies had evolved to a point where there were fewer and fewer similarities with that of the comparator. UN posts were increasingly polyvalent. Many staff, although based at headquarters duty stations, were required to travel for short periods totalling up to six months of each year. They were increasingly exposed to danger and stress.

21. In terms of the labour market, the civil services were in 1921 and for some time thereafter, clearly pre-eminent and had more formalized structures and systems than other institutions. This was no longer the case. Moreover, many civil services had given away large segments of their services through privatization. On the side of the current comparator, the labour market had demanded new solutions, such as the introduction of occupational and agency differentials. Yet, UN remuneration was still largely compared with the lowest common denominator for comparable level work, the General Schedule. It was essential

therefore to review, in the broader context of the work being carried out by the two civil services, whether the US federal civil service - notwithstanding its size and structure - remained a valid comparator for the common system. All the more so since the current comparator's pay levels were acknowledged to have fallen some 30 per cent behind the private sector in the USA and for some years had failed to keep pace with inflation.

22. The Commission and the General Assembly had acknowledged that the remuneration levels of other major international organizations outside the common system were higher than those in the common system. According to the most recent CCAQ findings contained in the addendum, they were considerably higher. As had been stated by one delegation in the Fifth Committee, there was an urgent need to determine who were the UN system's competitors. While past comparisons had focused on the World Bank, the Coordinated Organisations and the EC, other organizations might warrant comparison to the extent that they also competed for staff with organizations of the United Nations common system.

23. CCAQ believed that the issue had to be tackled on the political and technical levels. At the political level, caution should be exercised over taking a narrow, purely salary optique. Financial constraints required that the matter be viewed in a broader perspective which might include overall conditions of service and the enhancement of productivity.

24. The suggestion advanced in the document to establish a working group within each organization with the participation of governments, administrations and staff was not supported. It was considered that action at the common system level had the best chance of producing results.

25. Several members felt there was a need to consider a basket of comparators so as to avoid the risk of having UN remuneration held hostage to the internal politics of one. The approach utilized by the European Patent Office was also advanced: an agreed base determined by a group of "wise people" and a regular adjustment mechanism.

26. CCAQ considered that the broader political approach should aim to reinforce the Secretary-General's and ACC's statements regarding the lack of competitiveness of UN common system remuneration. The continued support of members of ACC, both collectively and individually was vital.

27. CCAQ decided that in April 1993 it should inform ACC of its plans and request executive heads in ACC to bring these matters to the attention of Member States - particularly the major contributors - to increase awareness well in advance of the General Assembly's decision on these matters in November/December 1994. CCAQ would prepare for executive heads a brochure in lay terms putting forward the salient points which ACC would wish to get across to Member States.

28. On the technical side, CCAQ decided to develop further its studies of the roles, structure and pay levels of the Co-ordinated Organisations, the World Bank Group and the European Community (EC). In this context, it was also important to describe the changed nature of the work of the organizations as a result of the evolving requirements of Member States. In this regard, organizations would provide the secretariat with comparisons of their roles and functions and those of their immediate competitors.

29. In order to progress in a systematic and timely fashion in this endeavour, the secretariat would prepare background papers to serve as the basis for a retreat or

"brainstorming" to take place in Vienna immediately prior to, or in the course of, its next session.

## **REMUNERATION OF THE PROFESSIONAL AND HIGHER CATEGORIES**

### The structure of the salary scale

30. The Committee considered a document (ACC/1993/PER/R.3) prepared by its secretariat in response to its request at its seventy-sixth and seventy-seventh sessions to review a number of issues in connection with the ongoing discussion of the structure of the salary scale. It included a review of appointment data relating to the 1991 calendar year and provided an analysis of the evolution from 1956 to 1991 of some key demographic features of the UN common system.

31. From a study submitted to the Committee in 1991 (ACC/1991/PER/R.15), it had been concluded that the current structure - essentially introduced in 1950 - had been based on the traditional pattern of the career civil services of the day. The premises of the structure were that a significant proportion of staff would be career appointees rising through the ranks from P.1 to P.4, a senior professional level which was deemed to be a "sufficiently high level of expectation" for career purposes (A.3209, United Nations Salary, Allowance and Benefits System: Report of the Salary Review Committee. New York, 1956). These premises were no longer viable. Moreover, any analysis of the structure of the salary scale had to be seen within the larger context of the organizations' personnel management and staffing needs. Several areas warranted questioning: Was the structure problem one of career progression or of the inadequate means for performance recognition combined with deteriorating remuneration levels? Solutions had therefore to be considered in the light of the study of performance recognition currently before the Commission and any potential for change in the remuneration system.

32. Changes in the composition and structure of UN staff had been stimulated by several factors. Of particular importance were the convergence of two factors: the ever-increasing demand for the provision of direct advice in highly specialised areas to the growing number of Member States and the requirement for greater productivity which limited the capacity of the programmes of organizations to take on junior staff who required more training and supervision.

33. Six proposals were explored in the document: (i) the introduction of an additional level in the salary scale (either between P.3/P.4, P.4/P.5 or P.5/D.1); (ii) the introduction of a P.6 grade equal in all respects to D.1; (iii) the introduction of a D.3 level either (a) as a separately classified additional level, or (b) as equal in all respects to the current ASG level; (iv) the separation of the D from the P grades; (v) the revision of the periodicity of attributing step increments; and (vi) the confirmation of the P.1 level as a training grade outside margin comparisons.

34. The current inadequacy of salaries was perceived as the underlying fault to structural considerations. Other international organizations outside the common system had comparable salary structures which were not being drawn into question. The UN system's

inadequacies in terms of remuneration could not be resolved through structural changes; it would be particularly contentious to increase the number of levels without at the same time a meaningful increase in the overall salary envelope.

35. Emphasizing the changed nature of organizational structures and responsibilities, many members could not foresee a return to earlier career path grading patterns. An increase in the number of jobs of greater complexity and responsibility, flatter structures, use of other categories of personnel to perform duties once carried out by more junior staff had dramatically changed the organizational landscape.

36. The Committee concluded that the major problem was related to the overall salary levels. Nonetheless, certain problems could only be addressed by some changes to the structure. The grade profile was not the result of poor application of job classification standards, but rather of changing organizational requirements. These issues had to be examined along with the structures. At the same time, unresolved issues which had arisen at the time of the comprehensive review such as inter-grade differentials, size of steps, cross-over points, etc. should also be examined whenever there was a salary increase.

37. To the specific proposals on the structure of the salary scale, there was unanimous agreement that the P.1 level should be used mainly for trainees and withdrawn from the margin computation. The number of steps in the P.1 grade should also be reviewed. Regarding the introduction of an additional grade, there was no support for its inclusion in the middle of the scale.

38. While the majority of the Committee favoured the introduction of a P.6 grade as a separate level between P.5 and D.1, it was agreed that the secretariat should study two alternative adjustments to the structure of the scale: (a) P.6 equal **in all respects** to D.1, but classified to take into account technical rather than directorial complexity; and (b) P.6 as a separate level between P.5 and D.1. One organization requested that the matter be urgently dealt with because it had already been discussed by its executive board. WHO preferred that whatever changes be considered should not disturb its current P.6 arrangements. The CCAQ Sub-Committee on Job Classification would also be asked to study how the Master Standard would require adaptation in the event of the introduction of a P.6 level.

39. Some members of the Committee felt that the introduction of a D.3 level as a separate additional level was not warranted. The Secretary-General had indicated that he was studying the possibility of introducing a senior career level above D.2, equivalent in terms of salaries and related entitlements to the ASG level, for selected high-level managerial responsibilities. Attention should however be given to the separation of the "directoriate" (D) group from the rest of the scale and the introduction of limited-time contracts and performance-based pay for this group of staff. International organizations outside the system and some national civil services of major UN contributors had moved to such arrangements. Member States were more likely to welcome an approach which sought to match accountability with reward.

40. CCAQ decided to apprise ACC of the above initiatives which would be pursued with a view to presenting proposals to the Commission at its summer 1993 session. It was agreed to request the inclusion of the item on the Commission's agenda. The secretariat should also consult with the ICSC secretariat and the staff.

Operation of the post adjustment system

41. Under this item the Committee reviewed comments put forward by its secretariat to the ICSC secretariat in response to their request for CCAQ's views on draft documents related to the post adjustment system (CCAQ(PER)/78/CRP.8).

42. The documents circulated for comment to Directors of Personnel by memorandum of 18 January 1993 from the Executive Secretary of ICSC updated the booklet on the operation of the post adjustment system and provided a partial response to the request made by CCAQ at its previous session for a detailed manual for personnel specialists.

43. The representative of the ICSC secretariat informed the Committee that some of the comments were presently being incorporated into the documents such as the authority for the various measures. The idea of using an outside editor to revise the booklet was also being explored. As part of the package, another document was under preparation which would be mainly for technicians in the agencies and as a handbook for the ICSC. Through this process, several points requiring consideration by ACPAQ had been identified such as eligibility criteria, use of classes of post adjustment and amounts per index point. The content of the booklet however could only reflect what was currently valid.

44. The Committee expressed appreciation for the work which had been undertaken on the documents. The positive spirit of co-operation of the ICSC secretariat should serve as an example of the manner in which the partners should work together for the improvement of the system. It was hoped that the final versions would reflect all of CCAQ's comments.

45. As to specific comments on the documents, CCAQ confirmed those which had already been communicated to the ICSC secretariat on 18 February 1993 and added the following remarks:

- (a) While some details may be dropped from the booklet, the question/answer section deserved expansion;
- (b) The explanation regarding the impact of exchange rate fluctuations on the operation of the system should be enlarged;
- (c) The section on the rental subsidy scheme seemed to contradict section 7.2;
- (d) Some explanation should be provided on how the margin affected the operation of the system;
- (e) It would be useful in section 3.1, which referred to "eligible staff", to provide some explanation on the criteria for eligibility.

Evolution of the margin between the net remuneration of the United States Federal Civil Service and that of the United Nations system

46. In ICSC/37/R.3 the Committee took note of the estimated margin figures for the period 1 January to 31 December 1993 of 119.1 on the basis of the current cost-of-living differential methodology and of 114.2 on the basis of the refined Runzheimer methodology (see paragraphs 49 to 56).



47. CCAQ noted that potential changes in US legislation might have repercussions on the margin in 1993 and in future years. However, the Committee considered that it was premature to speculate on what these changes might be. The current uncertain situation about the full implementation of the FEPCA legislation underlined once again the vulnerability of the UN remuneration system to the internal political considerations of one Member State.

48. The Committee also decided to draw the Commission's attention again to the narrow or virtually non-existent margins which existed at the D.1 and D.2 levels (regressed these were 102.8 and 100.1, respectively).

Procedure for the determination of the cost-of-living differential between New York and Washington, D.C.

49. Document ICSC/37/R.4 and its addendum provided details of the further work that had been carried out by the consultant, Runzheimer, in respect of the methodology for the determination of the cost-of-living differential between New York and Washington, D.C. In the Commission's review of the proposed revised methodology at its thirty-sixth session, questions had been raised about the income levels and family sizes used in the analysis. Accordingly, the Commission had requested its secretariat, in consultation with the consultant, to review and revise, as necessary, the parameters and to submit a report to its current session.

50. The Committee confirmed the technical validity of the study and noted that it might be possible to envisage the application of this methodology also for the determination of the cost-of-living differentials between other duty stations and the base of the UN system.

51. The Committee recalled (a) the crucial importance that the accurate measurement of the differential between New York and Washington had on the margin calculation, (b) the need to ensure that the measurement of housing was accurately reflected in the differential as already recommended by ACPAQ, and (c) the importance of maintaining full transparency in the differential's measurement.

52. In respect of the information presented in the document, the Committee concurred with the inclusion of data pertaining to families with 2 and 3 members in addition to those with 1 and 4 members as contained in the earlier report. It noted the conclusion that, as a result, the range of family sizes had been adequately reflected in the methodology.

53. In respect of income ranges, the Committee noted that the figures presented to the Commission's July 1992 session had been revised to reflect US gross salary levels by weighting the US figures for incomes applicable in the United Nations common system. The resulting income levels had been used in the latest measurement.

54. On this basis, the revised cost-of-living differential was established as 116.4 as opposed to 111.6 in the case of the current methodology. For 1993, the estimated margins resulting from the two methodologies were 114.2 using the Runzheimer methodology and 119.1 using the current methodology.

55. CCAQ underlined that the consultant was the same as that used by the comparator for similar exercises and the technical accuracy of the study was of the highest order. CCAQ recommended to the Commission that the results of the exercise using additional family sizes and revised income ranges should be accepted. As to the updating of the measurement, adjustments should be made twice yearly.

56. Noting the discussions in the Fifth Committee on the matter and the comments made at the time of the adoption of resolution 47/216, CCAQ's conclusion was that the General Assembly had approved the use of the revised Runzheimer methodology subject only to technical refinement. It therefore urged the Commission to implement the methodology without further ado.

#### Measurement of housing within the post adjustment system

57. The Committee noted that three distinct issues were raised in the ICSC secretariat's document (ICSC/37/R.5): (i) the simulation tests for excluding housing from post adjustment calculations in certain group B duty stations (resulting from the Assembly's request in resolution 45/241, 1990); (ii) the time-to-time updating of the housing component of the post adjustment index; and (iii) the use of external data.

58. Turning first to the simulation exercise at the 27 duty stations selected, the Committee noted that the results indicated that some staff members would be better off and others worse off if housing were to be excluded from post adjustment calculations and reimbursed on an actual expenditure basis. This was to be expected not least as a result of the averaging process.

59. The simulation exercise raised questions on the manner in which the tests had been carried out. A full technical analysis was needed before any determination could be made as to whether or not to exclude housing from the post adjustment calculations in those locations where, by definition, valid housing comparisons were difficult or impossible. Such an analysis should be undertaken by ACPAQ.

60. One of the key questions in the analysis must also be the extent to which the new arrangements would simplify identification of the housing component of the post adjustment system. In duty stations where there were few staff members, and it was almost impossible to make comparisons between costs of housing in the location and the base of the system, the exclusion of housing would be a simplification. The pitfalls in this approach however were associated with the difficulties in administering the new system in terms of payroll revisions, the establishment of transitional allowances, the determination of reasonableness, the exact list of duty stations at which housing would be excluded, the possible need for caps on rent levels and the determination of exactly who would determine those caps and in what circumstances waivers would be possible. The perception of staff members who were reimbursed housing costs in one location and then reassigned to another duty station at which housing was included in take-home pay as part of post adjustment had also to be considered.

61. The second issue raised in the document was the use of the local CPI to update the housing component of the post adjustment index on a time-to-time basis. The history of the decisions of ACPAQ and the Commission in 1990 (contained in CCAQ(PER)/78/CRP.3) revealed that it was not possible to infer - as the ICSC secretariat had done - that ICSC had

not accepted ACPAQ's recommendation that "The housing component of the local CPI will be used to update the post adjustment index as an interim measure pending the use of data from external sources".

62. The Committee considered that, pending the use of data from external sources, it was appropriate to update the housing component of the post adjustment index on the basis of the local CPI as ACPAQ had recommended and CCAQ had supported in 1990. It would inform ICSC that it would maintain this position and request ICSC to implement this approach immediately.

63. The Committee felt that the treatment of the third issue, use of external sources of data, had raised more questions than it had provided answers. It was questionable whether the data furnished by the external companies referred to in the document was properly customized to meet the common system's needs. It was also noted that the time periods were not the same. In the discussion, the Committee was informed by the representative of the ICSC secretariat that a third company was being approached to provide similar data which was not as yet reflected in any report.

64. CCAQ reiterated its position that external data should be used in place of the current housing surveys. The use of external data should make the data collection process more cost effective. However, there was the need to ensure that the companies contacted could provide accurate, consistent data which would enable the proper measurement of housing. Moreover, CCAQ remained convinced that determination of the questions to be presented to companies was critical, rather than merely fitting data to ICSC formats. The overall goal must be to simplify and streamline the measurement of housing.

#### Draft agenda of ACPAQ

65. The Committee noted the proposed agenda for the seventeenth session of ACPAQ as contained in document ICSC/37/R.6. The proposals in the agenda included items on which CCAQ had asked that attention be paid in the past and was therefore acceptable. It decided to request that three issues, namely (a) the out-of-area component and the currency basket used for updating the out-of-area index, (b) the chain reweighting of out-of-area expenditures to in-area expenditures and (c) the number of items priced in place-to-place surveys at the base of the system be specifically referred to in the proposed agenda. CCAQ decided to request that in light of the comprehensive review ACPAQ review the relevance of some precepts of the post adjustment system such as the use of "classes" of post adjustment. It would therefore request that this be appropriately introduced in ACPAQ's agenda.

#### Expatriate entitlements of staff living in the home country and stationed elsewhere

66. The Committee considered preliminary information gathered by the ICSC secretariat in response to a request of the General Assembly by its resolution 44/198, for an investigation of organizations' practices regarding the granting of expatriate entitlements to staff members living in their home countries while stationed at duty stations located in another country. This was contained in document ICSC/37/R.7.

67. As the matter essentially concerned organizations in one location, namely Geneva, CCAQ noted that this was not a priority issue for the whole of the common system. All organizations, other than UN and those applying its staff rules, had the same practice. The number of staff affected was also extremely small.

68. While the matter at first glance might be perceived as relatively simple, there were many ramifications and complexities not covered in the document which needed to be carefully reviewed such as (a) the different staff regulations and rules of each organization and their application, (b) the historical antecedents of different organizations in respect of the determination of expatriate entitlements, (c) the rationale behind these provisions, and (d) the legal implications of making changes in this area.

69. CCAQ decided to urge the Commission to defer a decision on this matter in order to review it at its thirty-eighth session in the light of more complete information on these points provided by the organizations.

Special occupational rates: criteria and modalities for payment of special occupational rates

70. CCAQ reviewed the ICSC secretariat's study as contained in ICSC/37/R.8. The study examined specifications for a special occupational rate system for application within the United Nations common system. These were: (a) criteria for defining fields of work/occupations across agencies; (b) criteria for determining application of special occupational rates; (c) structure of special occupational rates; (d) pensionability of the additional amounts paid; (e) procedure for elimination/reducing the amount paid; (f) administrative modalities; (g) details concerning the number of staff who might be affected.

71. The Committee recalled the different practices of the comparator civil service to supplement in one form or another the pay rates applicable under the General Schedule. These practices had been introduced by the comparator to offset problems in recruiting and retaining qualified staff and to retain some measure of competitiveness with US private sector pay levels. While the Commission at its previous session had rejected the concept of agency-wide rates, they had noted that the comparator had resorted to both approaches in order to compensate for the deficiencies in the General Schedule.

72. As in the past, the majority of members remained opposed to the introduction of a special occupational rates scheme. The information provided in the document as to the complexity of establishing such a system, and the concerns expressed by the General Assembly, only served to reinforce this position. The international organizations, not least because of their global recruitment needs, would find it difficult to determine their recruitment and retention difficulties which the General Assembly had made a prerequisite for the introduction of such special occupational rates; the difficulties involved in identifying occupational groups or fields of work across the common system were equally complex. Above all, from a management standpoint, the introduction of a pay differential for a small group of staff could cause widespread disruption within an organization and lead to serious staff morale problems throughout the common system.

73. Those few organizations which viewed positively the introduction of such a scheme, were concerned that the arrangements proposed by the ICSC secretariat would not meet their needs. For them, such a system would have to be administratively simple. ICSC should limit itself to providing the general framework for such a system, and the implementation thereof should be left to the executive heads of the organizations concerned.

74. The Committee was unanimous in its view that the best way of addressing the recruitment and retention problems of the organizations was through an overall increase in remuneration for the Professional and higher categories. The pursuit of this goal through a review of the application of the Noblemaire Principle should clearly be the priority for ACC and CCAQ.

Language incentive for staff in the  
Professional and higher categories

75. The Committee reviewed the history of the language incentive as contained in document ICSC/37/R.9 and recalled the background which should be drawn to the Commission's attention. It therefore decided to complement the ICSC report with a full historical review to be made available to the members of the Commission in a conference room paper (issued as ICSC/31/CRP.8).

76. Since 1968 the issue of language incentives had been taken up on several occasions by ICSAB and ICSC as well as by CCAQ. In the past, discussions had largely been concerned with the language incentive scheme of the United Nations. In the ensuing consideration by the General Assembly, its utility and preservation had been reaffirmed.

77. It was evident that neither the organizations who were currently making use of the incentive, nor those who were not, had reported any problems with the present arrangements. Differences among existing schemes resulted from different organizational requirements in terms of enhancing the linguistic skills of their staff. The Committee reaffirmed that in its previous discussions it had deemed this issue to be one which did not call for a common system approach.

78. While the ICSC paper appeared to take as its *raison d'être* the need for harmonization, it was the General Assembly itself that had rejected the Commission's earlier request to harmonize practices by abolishing the language incentive in the United Nations. It was therefore doubtful that the General Assembly, given its support for the incentive over the past, would reverse its position.

79. CCAQ considered that the Commission's best course of action was to inform the General Assembly that it would appear that, in the light of changing circumstances and the particular needs of different organizations of the common system, there was a trend for more organizations to adopt a language incentive scheme along the lines of that established by the General Assembly in 1968. It would so inform ICSC.

## **CONDITIONS OF EMPLOYMENT**

### Health insurance/cost-sharing arrangements

80. CCAQ took note of a document prepared by the ICSC secretariat (ICSC/37/R.14). The Committee also noted the presentation to CCAQ(FB)'s seventy-eighth session of document ACC/1992/FB/R.24 which described the costs and benefits of health insurance schemes of organizations of the system.

81. Although recognizing that more than ten years ago the General Assembly had raised this issue with the Commission, several members continued to believe this was not a common system concern and felt it was unclear what article of the ICSC Statute would apply to any recommendations in this area. While others felt it was a common system matter, there was general agreement that many issues had not been dealt with in the document.

82. CCAQ decided to inform ICSC that before any productive review of the matter could be undertaken, the following aspects required examination: (a) the impact of health insurance premia on the calculation of the post adjustment; (b) an analysis of the benefits which pertain to different health insurance schemes along with the costs of individual plans; (c) the impact of local requirements on individual plans; and (d) the different populations in the coverage.

## **REMUNERATION OF THE GENERAL SERVICE AND RELATED CATEGORIES**

### Pensionable remuneration of staff in the General Service and related categories: common staff assessment scales and review of the non-pensionable component

83. The Committee considered a document prepared by the secretariat of ICSC, in consultation with the secretariat of the UNJSPF (ICSC/37/R.11), in response to General Assembly resolution 47/203.

84. The Commission and the Board, over the last several years, had addressed various aspects of General Service pensionable remuneration. Three issues remained: (a) the use of dollar-based staff assessment rates (common scale); (b) the band approach; and (c) the use of local taxes. The Commission, in its review of the pensionable remuneration of this category, had viewed the phenomenon of "income inversion" as an undesirable characteristic of the current system. The Commission at its thirty-sixth session had considered that three factors contributed to the income inversion problem: 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.

85. The document had focused on the use of a common scale of staff assessment for the general service and professional and higher categories. There was no further treatment in the paper of the band approach or use of local taxes as these had been considered at the Commission's thirty-sixth session (see ICSC/36/R.12 and its addenda). At least one organization considered that all aspects of the methodology, including those on which the ICSC had reached conclusions in 1992, should have been reviewed.

86. The development of a common scale of staff assessment which could be applied to both categories involved making a number of assumptions. Those selected by the secretariats were: (i) the use of net remuneration of a single staff member as the starting point; (ii) the selection of the seven headquarters duty stations for the collection of tax information, and use

of standard rather than itemized deduction; (iii) computing from gross to net rather than net to gross; (iv) weighting salary data based on the numbers of staff by grade and step distribution; (v) the use of a 36-month average exchange rate; (vi) the use of nine different income brackets. The test results of the analysis based on these assumptions resulted in a staff assessment scale which showed increases in the pensionable remuneration for the Professional category at the P.1 and P.2 levels and decreases at levels P.3/step VI and above and reductions of some 6 per cent for the General Service category. It was pointed out that the scale was only indicative and that different results would have been obtained if different working assumptions had been used.

87. The Committee recalled that General Assembly resolution 47/203 had asked the Commission and the Board to "aim to eliminate current anomalies without creating new ones". Yet, it appeared that an increasing number of problems were being created as a result of the approach taken in the document.

88. The assumptions which had been used in the derivation of the single scale in the document were built on top of each other, and the Committee had a number of technical difficulties with each of these. As a starting point, the net remuneration of single staff members had been used. From an analysis of the tax systems of the seven headquarters duty stations, it was evident that the United Nations single net remuneration was some 5 per cent lower than it would be if set by reference to an average tax basis. The starting point could have been a notional level more in keeping with the tax rates or some other alternative, such as the net remuneration at the dependant rate which better reflected the typical staff member in the system. At each stage of the process, one alternative among many had been selected. At the end of the path followed in the paper, the result failed adequately to demonstrate the degree to which the income inversion problem would be solved. It was unacceptable as, on the basis of the assumptions used, pensionable remuneration would be reduced for both categories of staff.

89. The Committee did not consider that the document could serve as the basis for deliberation in the Commission or in the Pension Board. Sight had been lost of the overall objective of the exercise which was to provide appropriate pensions for staff in the General Service category. Income inversion was only one of the issues which needed attention. Moreover, the Committee questioned where income inversion was visibly a major problem and asked how many staff members were involved? Too many matters were left unexplained. One organization emphasized that at its headquarters no overlap of salaries or of pensionable remuneration of the General Service and Professional and higher categories existed and local taxes were high. It therefore continued to favour the use of local taxes.

90. The Committee concluded that the only approach which could be taken at this juncture was to call for a working group to be comprised of representatives of the secretariats of ICSC, UNJSPF, CCAQ, and representatives of the organizations and of the staff. The purpose should be to establish a set of basic principles which should underpin the exercise, such as the description and quantification of the problem of income inversion, an evaluation of the various assumptions to be used in establishing a single staff assessment scale, and a comparative analysis of the pros and cons of this and the other two remaining options (the band approach and the use of local taxes), including an assessment of how each would overcome the deficiencies of the present system. A piecemeal approach must not be adopted.

91. Regarding the non-pensionable component, the Commission had decided that with the use of the income replacement approach for the General Service and related categories it would be reasonable to include all of net salary for the purpose of grossing up to determine pensionable remuneration. The Committee decided to revert to the question of the non-pensionable component in the light of conclusions reached on the matter in the concurrent study on the methodology for General Service salary surveys at non-headquarters duty stations.

92. [On the basis of the terms of reference contained in paragraph 90 above, the working group prepared recommendations for consideration by ICSC. These were contained in ICSC/37/CRP.11 and Add. 1. The thrust of the working group's recommendations was to propose a methodology by which a single scale of staff assessment could be introduced in conjunction with the next review of pensionable remuneration of the Professional and higher categories in 1996. The working group's recommendations were accepted by ICSC.]

Review of the methodology for surveys of best prevailing conditions of employment at non-headquarters duty stations

93. The Committee considered a document (ICSC/37/R.10 and addendum) on the review of the methodology of surveys of best prevailing conditions of employment at non-headquarters duty stations. Noting that this methodology was applied to the largest group of staff in the common system, the Committee underlined the importance in maintaining conditions of service for this category which reflected best prevailing conditions so as to ensure the successful management of UN system activities.

94. CCAQ recalled that the development of the methodology and its approval by the Commission in 1984 represented a major milestone in the establishment of conditions of service for General Service staff in non-headquarters duty stations. For the first time, a comprehensive set of guidelines and principles had been set out for the determination of salaries and allowances for this category of staff. Their promulgation had promoted much more consistent and thorough assessments. The principle of best prevailing conditions of employment had become a reality and had enabled the UN common system to remain a dynamic and competitive employer.

95. The United Nations, which served as responsible agency for determining salaries and allowances for locally recruited staff in over 140 duty stations, viewed the development of the non-headquarters methodology to be one of the most significant achievements of the Commission. This methodology had proven to be an effective tool in managing conditions of service issues in the very diverse offices and economies found in non-headquarters locations.

96. Recognizing that, in its review, the Commission would compare the methodology for salary surveys in headquarters duty stations, the Committee underlined the need to ensure that application of the Flemming Principle was consistent through both methodologies. However, it was important to stress the important differences between the headquarters and non-headquarters environment which had led the Commission to the creation of distinct methodologies for the conduct of salary surveys. CCAQ considered that, while the principles and concepts presented in the two methodologies were consistent, the approaches and procedures applied had been tailored to assess best prevailing conditions of employment.



97. To gain a full understanding of the issues raised in document ICSC/37/R.10 and its addendum, the Committee reviewed briefly the steps undertaken to promote effective implementation of the methodology by the organizations of the common system which were responsible for carrying out salary surveys, with the support of CCAQ. In each non-headquarters location, a Local Salary Survey Committee had been established to manage the local salary survey process at the field level in co-operation with the headquarters of the designated agency. To facilitate the work of the local committees, CCAQ had developed a local salary survey manual based upon the methodology. The manual provided a step by step guide for each phase of the salary survey process. CCAQ had funded a salary survey specialist post to augment existing resources devoted to the survey process. Through two full rounds of comprehensive salary surveys (over 200 comprehensive surveys in total), designated agencies had fielded specialists to participate in each survey. In addition, under a comprehensive training programme developed by UNDP, over 300 agency staff, including both administration and staff representatives, had undergone in-depth training in the application of the methodology. In the review and approval process, the Headquarters Steering Committee not only examined the application of the methodology in individual duty stations, but discussed policy issues which arose in the conduct of salary surveys.

98. Organizations recognized the value of experience gained in the surveys in refining the methodology. Annexes II, IV and VIII of ICSC/37/R.10/Add.1 detailed specifically the experience in the quantification of benefits, application of special measures and the treatment of maxima data. CCAQ sought the Commission's concurrence with refinements developed through experience in application.

99. Two specific areas of the methodology were examined: (a) the retention of outside employer data where there existed single incumbents and (b) the treatment of maxima data collected from employers.

100. With respect to the collection of employer data where outside incumbent populations might be small, the Committee recognized that this was an area where the non-headquarters environment should be kept in mind. A detailed examination was undertaken to ensure that the jobs were placed in the employer's structure on the basis of its content and not the characteristics of its incumbent. Confirmation of the correct classification of the employer job was the paramount issue in confirming the correctness of the match.

101. The Committee emphasized that in the development of the methodology, the Commission had envisaged the need for flexibility in applying raw survey findings in the construction of United Nations salary scales. The use of maxima data in the comparison with outside employers had an important influence in the construction of the scales. Outside employer maxima salaries could reflect pay and benefit policies which were quite distinct from those found in the UN system. Maxima salaries should certainly influence the order of magnitude of the comparison between UN and outside salaries: at the same time, trends in maxima data had to be reviewed critically in the construction of the salary scale.

102. The Commission had provided guidelines on the desirable relationship which should exist for salaries between grade levels. It had also provided guidelines which governed the desirable profile of salaries within a single grade level. These guidelines regarding within-grade spans ensured that salary progression within a single grade reasonably reflected the maximum job value for a grade. In adjusting outside salary trends to reflect a desirable internal span profile, criteria had been provided to ensure that these adjustments remained

within the overall order of magnitude indicated in the raw survey results. This flexibility to adjust the scale profile to reflect an internally consistent scale structure within the overall findings of the survey data was a central feature of the methodology.

103. The Committee agreed that the methodology was an effective means for analysing and maintaining conditions of service for the largest category of staff. Considerable resources had been devoted to the creation of an infrastructure for the conduct of salary surveys to ensure accurate and consistent application of the methodology. The information gathered in more than 200 comprehensive salary surveys had been applied not only in the revision of local salaries, but to further refine and improve the application of the methodology, thus promoting even greater consistency in approach. It was decided therefore to request that the Commission confirm both the soundness of the methodology as developed and its application.

## **PERSONNEL POLICY AND MANAGEMENT**

### The appraisal and recognition of performance

104. At its seventy-sixth session, CCAQ had provided comments on the outline for a proposed ICSC study (ICSC/35/R.15) on the appraisal and recognition of performance. In ICSC/37/R.15 and its addenda, the Committee was provided with the results of this study which reviewed inter alia approaches to performance appraisal and recognition in the common system as well as trends and systems in performance evaluation in other international public organizations, key national public sector employers and the private sector. The ICSC secretariat's investigation had involved visits to the organizations and interviews with management and staff.

105. Many organizations had invested considerable sums in a continuous process of improving their systems; most felt there to be still a need to put "teeth" into their systems. While some recognized design flaws in their systems, most problems were associated with their application and the lack of a strong management culture. More resources and the commitment of top management were required, but budgetary constraints and competing demands necessitated realism when devising future strategies and approaches. Cash bonuses should not be the main means for motivating and rewarding staff. Regarding rebuttals or grievances of performance appraisals, the Committee considered that, whatever the available appeals machinery, performance appraisals should be rebuttable only to the extent that the concerned staff member alleged the existence of flaws on the basis of which the administrative tribunals would set aside a discretionary decision.

106. Welcoming the concise study of this critical area of personnel policy, the Committee particularly appreciated the way meetings and interviews had been used to gather data rather than the more traditional, static questionnaire approach. A similar approach to other studies undertaken by ICSC, might produce a more positive dialogue. The proposals for tangible future action in this critical area were strongly supported. It was hoped that the proposed timetable for introduction of new systems would not impede those organizations wishing to move forward more quickly. The proposal to develop a prototype for adaptation by the different organizations would allow for the recognition of the divergencies among organizations. This was clearly one area where one recipe could not suit all.

107. Underlining the need to accentuate training of staff and management in this process, the Committee looked forward to the review of updated guidelines for performance appraisal, and a generic model for training in performance appraisal which its Sub-Committee on Staff Training would submit.

108. It was also important to link future work in these areas with other initiatives and in particular CCAQ's review of the application of the Noblemaire principle.

#### Guidelines for a policy statement on sexual harassment

109. The Committee considered a paper prepared by its secretariat (ACC/1993/PER/R.5) providing an initial response to the request of the General Assembly in resolution 47/216 which had asked inter alia that organizations give attention to "the creation of an organizational climate conducive to the equal participation of men and women in the work of the organizations". In addition to requests from ICSC and the General Assembly, some agencies had expressed the wish that CCAQ look into the subject. Social, legal and personnel management issues also pointed to the need for its timely consideration.

110. The Committee decided to invite its secretariat to develop a draft statement of policy and procedures on that and related matters for consideration at the seventy-ninth session. This statement would be forwarded to ACC at its second session of 1993 for endorsement.

111. The draft policy statement should provide a definition of sexual harassment and guidelines for dealing with cases of alleged sexual harassment which would take account of formal and informal channels. Behaviour which constituted abuse of power should be specifically singled out. Care should be taken to avoid cultural bias.

112. The endorsement by ACC of a policy would help reinforce all organizations' efforts. Work was already under way in some organizations in the development of a policy. CCAQ's work should not impede those who wished to advance more quickly. In this connection, close collaboration would be maintained between organizations developing policies and the secretariat so as to ensure consistency in the overall approach.

113. Staff training would be instrumental in creating an understanding of what constituted unacceptable behaviour and in informing recipients of such behaviour of the procedures for redressing grievances. The Sub-Committee on Staff Training was requested to ensure an exchange of information on training activities on the issue.

#### Report on the implementation of ACC's Decision 1991/10 in respect of the impact of HIV/AIDS on UN personnel and operational policy

114. The Committee took note of a paper by its secretariat (ACC/1993/PER/R.6) on the status of the UN system personnel and operational policy endorsed by CCAQ and adopted by ACC in respect of HIV/AIDS. By and large, organizations had responded positively to the policy and recommendations. New information related particularly to training activities and to future areas for action.

115. Specific problems had arisen in relation to some countries practice to require HIV testing. Although organizations should not appear to condone such practices, there was a need to alert potential candidates beforehand. For this reason, a draft text had been proposed

for inclusion in vacancy notices. The identification of countries which might require HIV tests still needed to be clarified. Recruitment officers had been requested to provide this information which could be supplemented by data available in lists produced by some Member States. CCAQ emphasized that the proposed text concerning testing for HIV/AIDS should be considered for inclusion only in vacancy notices for posts in countries which might be affected.

116. Problems had also arisen in the area of pre-employment testing. The Director of the United Nations Joint Medical Service in New York explained that, while in accordance with the ACC policy testing was not required in the pre-employment medical examination, the current medical standards obliged the Medical Directors to assess a candidate's current and future capacity for work.

117. The Committee suggested that a representative of the WHO Global Programme for Aids meet with the Director of the UN Joint Medical Service in New York and if possible with other Medical Directors to help resolve the problem. In future, consideration might be given to reviewing the overall medical standards to ensure a uniform approach among organizations.

118. The Sub-Committee on Staff Training should also be requested to ensure the exchange of information on training efforts in this area.

#### **REPORT OF THE STAFF COUNSELLORS MEETING**

119. The Committee reviewed the report of the fourth meeting of the Staff Counsellors which had been held in Vienna from 5-8 October 1992. The staff counsellors had put forward specific, action-oriented recommendations, focused on the problems of their constituents. These were: (a) a definition of what constituted an effective staff counselling service; (b) steps which should be taken to maximize the support services available to staff members assigned to emergency missions - and to their families; (c) the creation and development of employee health maintenance programmes; and (d) the development of additional policies affecting the workplace and the family.

120. CCAQ was invited to consider adopting a statement on the role and function of a staff counselling service in a UN system organization. The functional statement annexed to the document was endorsed by the Committee subject to the following change: the job title should not be mandated as it was not considered suitable for all organizations' environments.

121. The Committee agreed with the proposal to review special leave entitlements for family-related matters and requested its secretariat to study the matter in the overall context of the work/family agenda. The comparator's practices should be included in this study. The Committee also endorsed the proposals in respect of the provision of counselling services for staff members (and their families) who were sent on emergency missions or other field assignments.

122. The Committee expressed its appreciation for the work of the staff counsellors. Given the confidential nature of much of their work, their contribution was not always adequately recognized. The Committee unanimously agreed that the next meeting of staff counsellors should take place in 1995.

## **IMPLEMENTATION OF ICSC DECISIONS AND RECOMMENDATIONS**

123. In document ICSC/37/R.13 and its addendum, the Committee reviewed the results of the comprehensive monitoring of the implementation of ICSC decisions and recommendations which were to be submitted to the General Assembly in accordance with article 17 of the ICSC Statute. The document provided an update of the 1989 report with respect to subjects falling under articles 10, 11 and 12 of the Statute. It also reflected decisions and recommendations taken by the Commission between 1989 and 1992. Items where uniform application had been reported previously or was known to exist had not been surveyed. Thus, the report essentially focused on job classification and other personnel policy issues. Information which had been provided by CCAQ on the reporting of ICSC decisions and recommendations to organizations' legislative and governing bodies was annexed to the document.

124. Members appreciated that the report strove to provide a qualitative assessment of the issues. In the past, the exercise had largely been an unrewarding and frustrating process. The move away from the former "policing" report towards a more constructive qualitative analysis of the validity of recommendations, bearing in mind the differences that existed among organizations, was a welcome innovation.

125. CCAQ supported the general thrust of the conclusions contained in the document. It would be helpful if future documents on the subject distinguished more clearly between the Commission's recommendations and decisions. The weight of decisions and recommendations was not comparable. Because of differences in organizations' structures and programme requirements, recommendations should be viewed as descriptive rather than prescriptive. Qualitative assessments as to the applicability of recommendations to individual organizations provided a practical response to the Commission's wish to consider better the diverse requirements of organizations and helped to foster a more constructive dialogue between parties. CCAQ presented its comments to the Commission in ICSC/37/CRP.9 on the substantive points raised in the document.

126. CCAQ also considered it would be useful in the future for the document to be supplemented with an evaluation by the Commission's secretariat of the degree to which it had been able to meet its commitments in collaborative endeavours, such as the development of Tier II standards.

## **REPORT ON THE STATUS OF WOMEN**

127. As a follow-up to the report of the Working Group on the status of women in the UN system, the Committee took note of document ICSC/37/R.16 which provided statistical data at the common system level on the status of women relating to the distribution of staff by gender and level, recruitment by gender and level, distribution of women according to the CCOG, age and grade distribution of staff by gender and level and time in grade by gender and level.

128. It was noted that a pamphlet recently produced by the ICSC secretariat in response to the Commission's wish at its last session to give greater publicity to their consideration of the Report of the Working Group was misleading. In the event that it was re-issued, amendments should include:

- (a) an annotation to the effect that the data reported for each organization are applicable as at a specific date which may well not be that on which the pamphlet was published;
- (b) the inclusion of information as to the percentage of women staff members in organizations which have not established targets.

129. Referring to the statement in the paper that having established targets facilitated progress, the Committee did not believe that the data necessarily upheld this assertion. While some organizations found targets useful, others did not. There was also the need to draw the distinction between global targets and recruitment targets.

## **MATTERS RELATING TO THE CCAQ SECRETARIAT**

### Proposed programme budget for the secretariat for the biennium 1994-1995

130. In ACC/1993/PER/R.7 and ACC/1993/FB/R.2, the Committee considered the proposed budget for the secretariat for the biennium 1994-1995 which had also been subject to the prior review by the financial services of the United Nations. The overall level of the budget showed a slight decrease from that for the current biennium. There were also built-in budgetary savings as the D.2 level position of Secretary was being under-filled.

131. The Committee fully supported the proposed budget and noted that, while the level of the budget did not always permit the secretariat to undertake everything that might be ideally expected, CCAQ received good value for its money. The Committee considered that any savings which may accrue under other items, for example the under-filling of posts falling vacant or the review and reclassification of grades, should be used towards additional computer support.

### Jointly-financed salary survey activities

132. Since 1985, the organizations had funded the inter-agency salary survey activities on a joint basis. In CCAQ(PER)/78/CRP.12, the Committee considered a note by UNDP proposing the continuation of present arrangements for sharing the costs of inter-agency local salary determination.

133. The Committee concluded that this important inter-agency activity should be continued. It therefore agreed to the proposal to maintain the percentage shares of contributions by organization as established in 1988 rather than embarking on a full-scale review. While accepting the proposal not to embark on a full-scale review, FAO noted that, given the significant downturn in the number of staff assigned to technical co-operation projects as a result of the new successor arrangements, the basis for cost sharing might require review some time in the future.

134. Members expressed their appreciation of the salary survey work undertaken by UNDP and noted the substantive contribution made by other organizations such as the United Nations which carried out surveys in difficult duty stations.

## **MATTERS RELATING TO THE ADMINISTRATION OF ICSC**

### Proposed programme budget for the biennium 1994-1995

135. The Committee considered in ICSC/37/R.17 the proposed draft programme and budget for the 1994-1995 biennium. Article 21(2) of ICSC's Statute stipulated *inter alia* that the budget estimates be established by the Secretary-General after consultation with ACC. A net programme increase of \$90,600, resulting in an overall budget of \$10,407,000 was being proposed.

136. The Committee noted that organizations had faced zero growth for many years and now most were facing severe financial difficulties, including budgetary cutbacks by up to 15 per cent or more. The Committee therefore felt that the Commission's draft budget proposals should have been responsive to these constraints and at the very least not have involved any increase in its overall level. Savings should be achieved through the streamlining of the structure and methods of work which would be in line with the Secretary-General and other executive heads' calls for greater efficiency.

137. Members supported the shift of resources from the Cost-of-Living Division to the Personnel Policies Division as they considered the latter understaffed by comparison to the former, especially in view of the General Assembly's Resolution 47/216 which had urged, 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. There should also be a greater integration of the work of the three divisions. CCAQ was not opposed to the provision for staff training if this was met through existing levels.

138. Members expressed concern about the budgetary increases in respect of travel to attend meetings of governing bodies in response to the General Assembly's request in resolution 47/216. While acknowledging that attendance at such meetings had to date been paid for from the central ICSC budget, it might be necessary to reappraise the manner in which such travel was funded if travel in this respect increased over the coming years. Most organizations preferred that those who issued invitations to ICSC met the travel costs of ICSC's representatives. Some believed that the travel should remain part of the central budget provisions. While it might be necessary in a few years' time to review the impact of these new arrangements on the ICSC budget, the Committee urged the Commission to arrange to meet these expenses through a budgetary readjustment involving no increases in the overall budget.

139. A review of the timing, duration and efficiency of the Commission's sessions should yield savings, especially in the light of the General Assembly's biennialization of the consideration of the report of the Commission. While CCAQ had supported in the past the principle of holding a session of the Commission at a field site, it was not prepared to maintain its support if this involved cost increases. Members, while generally agreeing with the programme of work, asked that a more straightforward linkage be provided between activities and resource levels. A more extensive description of the work of all divisions should also be provided.

## **OTHER BUSINESS**

### Recommended modification to the current post adjustment provisions applicable to Rome

140. The Committee considered a note by FAO (ICSC/37/CRP.4) providing the general background to a problem which had been encountered with the current post adjustment for Rome (Italy). From September 1992 to March 1993, the organizations in Rome had been confronted with a massive devaluation of the Italian lire, against the US dollar and other European currencies, reaching a total depreciation of approximately 50 per cent. Another factor impacted on the situation: the large "home allotment", the long-standing practice of some 80 per cent of the staff to receive a substantial (some 30 per cent) proportion of their take-home pay in a currency other than the Italian lire. The combination of the high home allotment together with the lire devaluation had resulted in (a) a real reduction in actual take-home pay for staff and (b) a considerable reduction in the organization's ability to recruit given the significant reduction (some 33 per cent) in the US dollar value of salaries that could be offered to candidates. For these reasons, FAO considered that remedial action should be taken at the Commission's present session.

141. CCAQ, noting that FAO would present its paper before the Commission's current session, reaffirmed its support for the post adjustment methodology which had been established by the Commission and had been noted by the General Assembly as recently as the forty-fourth session. There were, however, special circumstances now prevailing in Italy which members believed should be responded to with a degree of flexibility. The Committee therefore decided not to oppose any action by the Commission to respond to the problems confronting staff in that country provided that:

- (a) the post adjustment methodology was not put into question;
- (b) such action took the form of a special ad hoc measure which would respond to the particular problems currently prevailing in Italy; and
- (c) such a measure was temporary in nature and would continue only as the particular circumstances prevailed.

### Report on the development of the CCAQ data base

142. In a note prepared by its secretariat (CCAQ(PER)/78/CRP.5), members were informed of actions recently undertaken by its secretariat to refine the structure and optimize the usefulness of the personnel data base of which a technical review was currently being undertaken together with the International Computing Centre (ICC).

143. There was an ever-increasing need for more detailed and sophisticated data analysis and report generation in order to respond to the Committee's requirements, those of ICSC and requests from Member States. In order to rationalize and render more flexible this process, the acquisition of new hardware and software had enabled the data base to be downloaded. Organizations were requested to collaborate in these efforts by making every effort to ensure that for the future their data was validated and provided in machine-readable form to the International Computing Centre.

144. Other developments in computerization were also under examination. Recalling that at its seventy-seventh session the Committee had agreed to move forward on the



computerization of education grant data, it was noted that data for the next review would be provided utilizing the computer application designed for this purpose. For the next exercise, CCAQ was obligated to respond to the Commission's request for reporting on 100 per cent of the claims and also to meet the General Assembly's request that a total costing be provided. CCAQ was grateful that the UN/IMIS team had developed, and was in the process of refining, the Paradox application in order to make these analyses feasible. The secretariat would review with those unable to make use of the Paradox programme how best the matter could be regulated.

145. The Committee felt that it might be useful for the CCAQ secretariat to organize a working group of those persons responsible for managing personnel data so as to build a mutual understanding of data requirements. This would be looked into by the secretariat.

#### Observer status in CCAQ

146. In note CCAQ(PER)/78/CRP.7 it was recalled that, at its seventy-seventh session, the Committee had requested its secretariat to study and report back on all ramifications of the requests for observer status in CCAQ made by the International Organization for Migration (IOM) and the Common Fund for Commodities. After studying the matter, it was proposed that such determinations be made on an ad hoc basis according to a set of criteria, as follows:

Any organization requesting observer status with CCAQ should, either:

- (a) be represented in ACC but not be applying the common system of salaries and allowances (e.g. the World Bank and the IMF);

or

- (b) (i) be an inter-governmental, international body applying the common system of salaries and allowances;
- (ii) be an organization whose work had a direct bearing on UN activities (usually referred to by the United Nations as a "related agency");
- (iii) be an organization which could be considered a competitor in the labour market.

Inter-governmental bodies working under the auspices of an organization already represented in ACC and CCAQ would not normally be considered for observer status.

147. In principle, the Committee agreed with the proposal. The financial consequences of participation in CCAQ's activities, while limited, should be met through a voluntary contribution from the organizations in question to CCAQ of an amount which would be below the current minimum contribution. The exact amount would be determined by the Secretary in consultation with the Chairman. In the light of these criteria, the Committee decided that both the IOM and the International Fund for Commodities would be invited as guests at CCAQ meetings, with the understanding that CCAQ would revert back to the matter if the new arrangements proved impracticable.

#### Rental subsidy scheme for duty stations in Europe and North America

148. In a note by the ILO (CCAQ(PER)/78/CRP.9) the Committee considered the application in Eastern European countries of the field rental subsidy scheme instead of the extended rental subsidy scheme on the grounds that:

- (a) these Eastern European countries were not classified H in the list of designated duty stations for hardship purposes; and
- (b) these countries figure in the list of Group II duty stations for post adjustment purposes.

149. CCAQ decided to confirm formally this position which had in fact evolved since 1990 out of the administrative practice of applying the field rental subsidy scheme in Albania, Bulgaria, the Czech Republic, Hungary, Poland, Romania, the Russian Federation, the Slovak Republic and Yugoslavia.

#### Standards of travel

150. In CCAQ(PER)/78/CRP.11, the Committee took note of the latest information presented by the UN on the ongoing discussion concerning standards of travel.

#### The measurement of air pollution

151. In CCAQ(PER)/78/CRP.6, the Committee considered the latest WHO guidelines on air quality measurements on the basis of six pollutants. The Committee asked that UN, UNDP and WHO work together prior to the Committee's next session to make proposals on how best to apply the WHO guidelines in assessing the need for the application of CCAQ's administrative actions. The Committee also agreed to forward to the Medical Directors a proposal for additional lung-function tests for staff assigned to locations where air pollution was at a high level.



UNICEF: Mr. F. Kronfol, Director,  
Division of Personnel

Ms. J. Kim, Deputy Director,  
Human Resources Planning and Development

Mr. M. Corbett, Deputy Director,  
Human Resources Administration

UNEP: Ms. S. Tinkl, Liaison Officer

UNFPA: Ms. S. Chou, Personnel Officer,  
Personnel Branch

UNHCR: Mr. M. Baquerot, Director,  
Division of Human Resources Management

Mr. A. Henning, Chief,  
Personnel Administration Section  
Division of Human Resources Management

UNRWA: Mr. J. Acar, Director of Personnel

ITC: Mr. H. Berggren, Chief,  
Personnel Administration Section

ILO: Mr. R. Smith, Chief,  
Personnel Administration Branch

Ms. H. Schebesta, Head,  
Salaries and Allowances Unit

FAO: Mr. A.T. Slater, Director,  
Personnel Division

Mr. C.F. Juge, Chief,  
Personnel Policies and  
Entitlements Service,

Ms. A. Wolf, Personnel Officer,  
Policies and Procedures

Mr. V.E. Fiumi, Personnel Officer,  
Personnel Division

WFP: Mr. P. Lässig, Deputy Director,  
Personnel and Administrative Services  
and Chief, Personnel Service

UNESCO: Mr. J. Atta Kusi, Chief,

Division of Staff Policy and Procedures

ICAO: Mr. D.J. Goossen, Chief,  
Personnel Branch

WHO: Ms. R. Lopez, Chief,  
Employment Policy and Administration

ITU: Mr. J.-P. Baré, Head,  
Personnel and Social Protection Department

WMO: Mr. E. Renlund, Chief,  
Personnel Division

IMO: Mr. R. Jones, Director,  
Administrative Division

Dr. G. Barnard, Head,  
Personnel Section

WIPO: Mr. B. Machado, Director,  
Personnel Division

Ms. N. Chilikine, Head,  
Personnel Entitlements Section

IFAD: Mr. A. Prien, Director of Personnel

UNIDO: Mr. S. Seraydarian, Director,  
Personnel Services Division

IAEA: Mr. D. Goethel, Director,  
Division of Personnel

GATT: Mr. P. Rolian, Chief of Personnel

Observers

ICSC: Mr. P. Ranadive, Executive Secretary  
and members of the secretariat

UNJSPF: Mr. R. Gieri, Secretary

Mr. J. Dietz, Deputy Secretary

FICSA: Ms. J. Lavnick-Wainstead, President

Mr. W. Dixon, Vice-President

CCISUA: Mr. F. Siegenthaler, President

Ms. C. Mercader-Steele,  
Research Officer

CCAQ secretariat

Secretary: Mr. R. Eggleston

Assistant Secretary: Ms. M.-J. Peters

Annex II

**AGENDA AS ADOPTED BY THE COMMITTEE ON 1 MARCH 1993**

[\* Items relevant to the agenda of the thirty-seventh  
session of ICSC]

<u>Item</u>	<u>Document</u>
1. Election of Chairperson and Vice-Chairperson	
2. Adoption of the agenda	ACC/1993/PER/R.1/Rev.1
3. The application of the Noblemaire principle	ACC/1993/PER/R.2 & Corr.1 ACC/1993/PER/R.2/Add.1
4. Status report on ACC's review of the "Role and functioning of ACC and its subsidiary machinery"	CCAQ(PER)/78/CRP.4
5. * Resolutions and decisions of the General Assembly at its forty-seventh session	
- Paper by the ICSC secretariat	ICSC/37/R.2 and Adds. 1 & 2
6. Remuneration of the Professional and higher categories	
6.1 The structure of the salary scale - Paper by the CCAQ secretariat	ACC/1993/PER/R.3
6.2 Operation of the post adjustment system - Conference Room Paper by the CCAQ secretariat	CCAQ(PER)/78/CRP.8

	Item	Document
6.	Remuneration of the Professional and higher categories (continued)	
*	6.3 Evolution of the margin between the net remuneration of the United States federal civil service and that of the United Nations system - Paper by the ICSC secretariat	ICSC/37/R.3
*	6.4 Procedure for the determination of the cost-of-living differential between New York and Washington - Paper by the ICSC secretariat	ICSC/37/R.4
*	6.5 Measurement of housing within the post adjustment system - Paper by the ICSC secretariat	ICSC/37/R.5
*	6.6 Draft agenda of ACPAQ - Paper by the ICSC secretariat	ICSC/37/R.6
*	6.7 Expatriate entitlements of staff living in the home country and stationed elsewhere - Paper by the ICSC secretariat	ICSC/37/R.7
*	6.8 Special occupational rates: criteria and modalities for payment of special occupational rates - Paper by the ICSC secretariat	ICSC/37/R.8
*	6.9 Language incentive for staff in the Professional and higher categories - Paper by the ICSC secretariat	ICSC/37/R.9



Item	Document
7. Remuneration of the General Service and related categories	
* 7.1 Review of the methodology for surveys of best prevailing conditions of employment at non-headquarters duty stations - Paper by the ICSC secretariat	ICSC/37/R.10
* 7.2 Pensionable remuneration of staff in the General Service and related categories: common staff assessment scales and review of the non-pensionable component - Paper by the ICSC secretariat	ICSC/37/R.11
8. Conditions of employment	
* 8.1 Health insurance/cost-sharing arrangements - Paper by the ICSC secretariat	ICSC/37/R.14
9. Personnel policy and management	
* 9.1 The appraisal and recognition of performance - Paper by the ICSC secretariat	ICSC/37/R.15
9.2 Guidelines for a policy statement on sexual harassment - Paper by the CCAQ secretariat	ACC/1993/PER/R.5
9.3 Report on the implementation of ACC's decision 1991/10 in respect of the impact of HIV/AIDS on UN personnel and operational policy - Paper by the CCAQ secretariat	ACC/1993/PER/R.6
10. Report of the Staff Counsellors Meeting	ACC/1993/PER/R.8

Item	Document
11. Implementation of ICSC decisions recommendations - Paper by the ICSC secretariat	ICSC/37/R.13
12.* Report on the status of women - Statistical report by the ICSC secretariat	ICSC/37/R.16
13.* For consideration by organizations concerned  Preparatory arrangements for the survey of best prevailing conditions of employment at Paris - Paper by the ICSC secretariat	ICSC/37/R.12
14. Matters relating to the CCAQ secretariat  Proposed programme budget for the secretariat for the biennium 1994-1995 - Paper by the CCAQ secretariat  Jointly-financed salary survey activities - Paper by UNDP	ACC/1993/PER/R.7; ACC/1993/FB/R.2  CCAQ(PER)/78/CRP.12
15. Matters relating to the administration of ICSC  Proposed programme budget for the biennium 1994-1995 - Paper by the ICSC secretariat	ICSC/37/R.17
16. Other business	
* 16.1 Recommended modification to the current post adjustment provisions applicable to Rome - Paper by FAO	ICSC/37/CRP.4
16.2 Report on the development of the CCAQ data base	CCAQ(PER)/78/CRP.5

Item	Document
16. Other business (continued)	
16.3 The measurement of air pollution	CCAQ(PER)/78/CRP.6
16.4 Rental subsidy in former Eastern Europe	CCAQ(PER)/78/CRP.9
16.5 Observer status in CCAQ	CCAQ(PER)/78/CRP.7
16.6 Standards of travel	CCAQ(PER)/78/CRP.11