



United Nations

Report of the International Civil Service Commission for the year 2000

General Assembly
Official Records
Fifty-fifth session
Supplement No. 30 (A/55/30)

General Assembly
Official Records
Fifty-fifth session
Supplement No. 30 (A/55/30)

Report of the International Civil Service Commission for the year 2000



United Nations • New York, 2000

Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

Contents

<i>Chapter</i>	<i>Paragraphs</i>	<i>Page</i>
Abbreviations		vi
Glossary		vii
Letter of transmittal		xi
Summary of recommendations of the International Civil Service Commission that call for decisions by the General Assembly and the legislative organs of the other participating organizations		xii
Summary of recommendations of the International Civil Service Commission to the executive heads of the participating organizations		xiii
Summary of financial implications of the decisions and recommendations of the International Civil Service Commission for the United Nations and other participating organizations of the common system		xiv
I. Organizational matters	1–7	1
A. Acceptance of the statute	1–2	1
B. Membership	3	1
C. Sessions held by the Commission and questions examined	4–5	1
D. Subsidiary body	6	1
E. Programme of work of the Commission for 2001	7	1
II. Resolutions and decisions adopted by the General Assembly and the legislative/ governing bodies of the other organizations of the common system	8–9	2
III. Conditions of service applicable to both categories of staff	10–109	2
A. Report of the Working Group on the Framework for Human Resources Management	10–19	2
B. Draft standards of conduct for the international civil service	20–31	4
C. Human resources management: review of the pay and benefits system	32–47	6
D. Recognition of language knowledge in the United Nations system	48–61	9
E. Education grant	62–96	11
1. Review of the purpose, scope and application	62–81	11
2. Review of the level	82–96	14

F.	Common scale of staff assessment.	97–102	16
G.	Implementation by organizations of the decisions and recommendations of the International Civil Service Commission	103–109	17
IV.	Conditions of service of the Professional and higher categories	110–157	18
A.	Evolution of the margin between the net remuneration of the United States federal civil service and that of the United Nations system.	110–116	18
B.	Base/floor salary scale	117–124	20
C.	Review of the rationale, scope, methodology and level of children’s and secondary dependant’s allowances	125–135	21
D.	Establishment of grade equivalencies between the United States federal civil service and the United Nations system	136–149	22
E.	Post adjustment matters	150–157	24
	Preparations for the next round of cost-of-living surveys	150–157	24
V.	Conditions of service of the General Service and other locally recruited categories	158–192	25
A.	Survey of best prevailing conditions of employment in Montreal	159–162	26
B.	Survey of best prevailing conditions of employment in New York.	163–165	26
C.	Review of the headquarters salary survey methodology: decisions of the International Labour Organization Administrative Tribunal regarding the phasing out of the language factor at Rome and Vienna	166–192	27
 Annexes			
I.	Programme of work for 2001		32
II.	Framework for Human Resources Management		33
III.	Review of the pay and benefits system		45
IV.	Proposed maximum admissible expenditures, education grant levels and proposed ceilings for boarding costs		48
V.	Comparison of average net remuneration of United Nations officials from the Professional and higher categories in New York and United States officials in Washington, D.C. by equivalent grades.		49
VI.	Salary scale for the Professional and higher categories, showing annual gross salaries and net equivalents after application of staff assessment		50
VII.	Staff assessment rates for the Professional and higher categories, for use in conjunction with gross base salaries		51
VIII.	Recommended amounts of children’s and secondary dependant’s allowances for Professional and higher categories, for implementation as from 1 January 2001		52
IX.	Recommended net salary scale for the General Service and related categories at Montreal.		53

X.	A.	Recommended net salary scale for staff in the General Service category in New York . . .	54
	B.	Recommended net salary scale for staff in the Security Service category in New York . . .	54
	C.	Recommended net salary scale for the Public Information Assistant and Tour Coordinator/Supervisor category in New York.	55

Abbreviations

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Coordination
ACPAQ	Advisory Committee on Post Adjustment Questions
CCAQ	Consultative Committee on Administrative Questions
CCISUA	Coordinating Committee for International Staff Unions and Associations of the United Nations System
FAO	Food and Agriculture Organization of the United Nations
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
ITU	International Telecommunication Union
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNJSPB	United Nations Joint Staff Pension Board
UNJSPF	United Nations Joint Staff Pension Fund
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

Glossary of technical terms

Base/floor salary scale	For the Professional and higher categories of staff, a universally applicable salary scale is used in conjunction with the post adjustment system. The minimum net amounts received by staff members around the world equal those shown in this scale.
Best practice	An innovative policy, strategy, programme, process or practice that has a demonstrated positive impact upon performance, is currently being used by at least one major employer and is relevant and applicable to others.
Broad banding	A method of providing greater flexibility to reward individual performance and contribution. The term describes the action of combining and replacing several classification levels by a single, broader classification level (called a “band”). A broad-banded system is characterized by a limited number of wider bands or ranges and a bigger salary overlap between bands.
Comparator	Salaries and other conditions of employment of staff in the Professional and higher categories are determined in accordance with the Noblemaire principle by reference to those applicable in the civil service of the country with the highest pay levels. The United States federal civil service has been used as the comparator since the inception of the United Nations. See also “Highest paid civil service” and “Noblemaire principle”.
Consolidation of post adjustment	The base/floor salary scale for the Professional and higher categories is adjusted periodically to reflect increases in the comparator salary scale. This upward adjustment is made by taking a fixed amount of post adjustment and incorporating or “consolidating” it in the base/floor salary scale. If the scale is increased by consolidating 5 per cent of post adjustment, the post adjustment classifications at all duty stations are then reduced by 5 per cent, thus ensuring, generally, no losses or gains to staff.
Cost-of-living differential	In net remuneration margin calculations, the remuneration of United Nations officials from the Professional and higher categories in New York is compared with their counterparts in the comparator service in Washington, D.C. As part of that comparison, the difference in cost of living between New York and Washington is applied to the comparator salaries to determine their “real value” in New York. The cost-of-living differential between New York and Washington is also taken into account in comparing pensionable remuneration amounts applicable to the two groups of staff mentioned above.
Dependency rate salaries	Net salaries determined for staff with a primary dependant.
Dollar-driven expenditures	These are expenditures on items such as life insurance, car purchases, durable goods and remittances to family members abroad which are set as a fixed United States dollar amount and treated as out-of-area purchases for the purpose of calculating the out-of-area index.
Employment cost index (ECI)	Under the Federal Employees’ Pay Comparability Act (FEPCA) (see below), a wage index that measures the percentage change in the average non-federal sector payroll costs between two points in time is calculated. The index, known as ECI, is based on the measurement of payroll costs across the United States. ECI is used as the basis for an across-the-board

	adjustment to salaries of United States federal civil service employees. Under FEPCA, United States federal civil servants can also receive a locality-based adjustment.
Federal Employees' Pay Comparability Act	The Federal Employees' Pay Comparability Act (FEPCA) (1990), passed by the United States Congress, whereby the pay of federal civil service employees would be brought to within 5 per cent of non-federal-sector comparator pay over a period of time.
Flemming principle	The basis used for the determination of conditions of service of the General Service and other locally recruited categories of staff. Under the application of the Flemming principle, General Service conditions of employment are based on best prevailing local conditions.
General Schedule	A 15-grade salary scale in the comparator civil service, covering the majority of employees.
Headquarters locations	Headquarters of the organizations participating in the United Nations common system are: Geneva, London, Montreal, New York, Paris, Rome and Vienna. While the Universal Postal Union is headquartered at Berne (Switzerland), post adjustment and General Service salaries at Geneva are currently used for Berne.
Highest paid civil service	Under the application of the Noblemaire principle, salaries of United Nations staff in the Professional and higher categories are based on those applicable in the civil service of the country with the highest pay levels, currently the United States. See also "Comparator" and "Noblemaire principle".
Locality-based pay	Under FEPCA (see above), the United States Government has established approximately 30 separate locality pay areas. The locality-pay provision of FEPCA is based on average salary levels prevailing in the local labour market. For federal civil servants in a given locality, FEPCA provides for the payment of an ECI-based increase plus a locality-pay adjustment, if appropriate, for the period 1994-2002, with a view to ensuring that federal pay is brought to within 5 per cent of the non-federal pay for the locality.
Mobility and hardship allowance	A non-pensionable allowance designed to encourage mobility between duty stations and to compensate for service at difficult locations.
Net remuneration margin	The Commission regularly carries out comparisons of the net remuneration of the United Nations staff in grades P-1 to D-2 in New York with that of the United States federal civil service employees in comparable positions in Washington, D.C. The average percentage difference in the remuneration of the two civil services, adjusted for the cost-of-living differential between New York and Washington, is the net remuneration "margin".
Noblemaire principle	The basis used for the determination of conditions of service of staff in the Professional and higher categories. Under the application of the principle, salaries of the Professional category are determined by reference to those applicable in the civil service of the country with the highest pay levels. See also "Comparator" and "Highest paid civil service".

Pensionable remuneration	The amount used as the basis for effecting contributions from the staff member and the organization to the United Nations Joint Staff Pension Fund (UNJSPF). Pensionable remuneration amounts are also used for the determination of pension benefits of staff members upon retirement.
Performance management	The process of optimizing performance at the level of the individual, team, unit, department and agency. In its broadest sense, effective performance management is dependent on the effective and successful management of policies and programmes, planning and budgetary processes, decision-making processes, organizational structure, work organization and labour-management relations and human resources.
Performance-related pay	<p>A generic concept involving a financial or financially measurable reward linked directly to individual, team or organizational performance, in the form of either base pay or a cash bonus payment. Terms used to describe different types of performance-related pay may vary. They include:</p> <p>Merit pay/performance-related pay/pay for performance/variable pay: these are tools tailored to relate individual base pay increases to individual results usually through a performance appraisal scheme and a performance rating.</p> <p>Lump-sum bonus: a non-recurring cash lump sum related to the results achieved by an individual, team and/or agency or to recognize an intensive effort over a specific time period. May be pensionable or non-pensionable.</p>
Place-to-place survey	Survey carried out as part of the process for establishing a post adjustment index. It compares living costs between a given location and the base city, New York, at a specified date.
Post adjustment index	Measurement of the living costs of international staff members in the Professional and higher categories posted at a given location, compared with such costs in New York at a specific date.
Post adjustment classification	Post adjustment classification is based on the cost of living (post adjustment multiplier) as reflected in the respective post adjustment index for each duty station and is expressed in terms of multiplier points. For example, staff members at a duty station classified at multiplier 5 would receive a post adjustment amount equivalent to 5 per cent of net base salary as a supplement to base pay. The pay index at the duty station would be $100 + 5$ or 105.
Senior Executive Service (SES)	In the comparator (United States) civil service, a Senior Executive Service was created as a separate personnel system for senior managers who administer programmes at the highest levels of the federal government. There are six pay levels but no grades in SES. A number of other countries have also established SES or senior public service systems.
Separation payments	Upon separation from service, staff may receive compensation for one or more of the following: accumulated annual leave, repatriation grant and termination indemnity. Death grant is payable to the survivor.
Simulation	A technique for analysing the operation of a system by duplicating its behaviour experimentally. Inferences about the actual operation of the system may be drawn by constructing a model of the system and experimenting with its operation.

Single rate salaries	Net salaries determined for staff without a primary dependant.
Staff assessment	Salaries of United Nations staff from all categories are expressed in gross and net terms, the difference between the two being the staff assessment. Staff assessment is a form of taxation, internal to the United Nations, and is analogous to taxes on salaries applicable in most countries.
Tax abatement	In the context of dependency allowances, tax credit or relief provided to taxpayers who are responsible for the financial support of dependants (spouse, children, parents, etc.) in the tax systems of a number of countries.
Tax Equalization Fund	A fund maintained by the United Nations and other specialized agencies that is used for reimbursing national taxes levied on United Nations income for some staff members.
Time-to-time adjustment	Context: post adjustment index. Post adjustment indices resulting from place-to-place surveys (see above) are adjusted on a “time-to-time” basis between such surveys to account for inflation and currency fluctuations.

Letter of transmittal

8 September 2000

Sir,

I have the honour to transmit herewith the twenty-sixth annual report of the International Civil Service Commission, prepared in accordance with article 17 of its statute.

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

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

(Signed) **M. Bel Hadj Amor**
Chairman

His Excellency Mr. Kofi Annan
Secretary-General of the United Nations
New York

Summary of recommendations of the International Civil Service Commission that call for decisions by the General Assembly and the legislative organs of the other participating organizations

Paragraph reference

A. Conditions of services applicable to both categories

1. Education grant

- 93(a), (b) (a) In areas where education-related expenses were incurred in the five currencies shown under paragraph 93(a), the maximum admissible levels for expenditures covered under the education grant system and the maximum education grant should be adjusted as shown in table 1 of annex IV. For the remaining currency areas, the above-mentioned elements should remain unchanged;
- 93(c) (b) 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 expenses, should be revised as shown under the middle column of table 2 of annex IV. 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 as shown under the right-hand column of table 2 of annex IV.

B. Remuneration of the Professional and higher categories

1. Base/floor salary scale

- 124 The Commission decided to recommend to the General Assembly that the current base/floor salary scale for the Professional and higher categories of staff should be increased by 5.1 per cent through consolidation of post adjustment, with effect from 1 March 2001. The proposed base/floor salary scale may be found in annex VI.

2. Staff assessment scale to be used in conjunction with base/floor salaries

- 124 The Commission decided to recommend to the General Assembly that the staff assessment rates in annex VII should be used in conjunction with gross base salaries.

3. Dependency allowance

- 134(a), (b), (e) (a) The current level of the children's allowance (including that for disabled children) and secondary dependant's allowance should be increased, effective 1 January 2001, to reflect the 11.89 per cent increase in the value of tax abatement and payments under social legislation at the seven headquarters duty stations;
- 134(c) (b) The current local currency entitlement system for hard currency duty stations should be maintained (see annex VIII);
- 134(d) (c) The amount of dependency allowances should be reduced by the amount of any direct payments received from a Government in respect of dependants.

Summary of recommendations of the International Civil Service Commission to the executive heads of the participating organizations

Paragraph reference

Conditions of service of the General Service and other locally recruited categories

As part of its responsibilities under article 12, paragraph 1, of its statute, the International Civil Service Commission conducted surveys of best prevailing conditions of employment for:

- 159 (a) The General Service and related categories at Montreal and recommended the resulting salary scale (annex IX) and dependency allowances to the Secretary-General of the International Civil Aviation Organization;
- 165 (b) The General Service, Security Service and Public Information Assistant categories in New York and recommended the resulting salary scales (annex X) and dependency allowances to the Secretary-General of the United Nations.

Summary of financial implications of the decisions and recommendations of the International Civil Service Commission for the United Nations and other participating organizations of the common system

Paragraph reference

A. Conditions of service applicable to both categories

Education grant

96 The system-wide annual financial implications associated with the recommendations of the Commission regarding the education grant system were estimated at \$1,046,000.

B. Remuneration of the Professional and higher categories

Base/floor salary scale

123 The financial implications associated with the Commission's recommendation regarding the revised base/floor salary scale for the Professional and higher categories of staff in annex VI were estimated at approximately \$4,900,000 per annum, system-wide. As the revised scale was proposed to be implemented effective 1 March 2001, the corresponding financial implications for 10 months in 2001 were estimated at \$4,000,000. A breakdown by elements is presented in paragraph 123 of the present report.

Dependency allowances

135 The financial implications associated with the Commission's recommendations regarding the children's and secondary dependant's allowances were estimated at \$2.8 million per annum, system-wide.

C. Remuneration of the General Service and other locally recruited categories at Montreal

1. Survey of best prevailing conditions of employment for the General Service and related categories

162 The financial implications associated with the implementation of the salary scale for the General Service and related categories as well as the revised rates of dependency allowances for this category of staff in Montreal arising from the survey conducted by the Commission were estimated at \$451,000 per annum.

2. Survey of best prevailing conditions of employment for the General Service and related categories at New York

165 The financial implications associated with the implementation of the salary scale for the General Service, Security Service and Public Information Assistants as well as the revised rates of dependency allowances for all locally recruited categories of staff in New York arising from surveys conducted by the Commission were estimated at \$7 million per annum.

Chapter I Organizational matters

A. Acceptance of the statute

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

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

2. To date, 12 organizations have accepted the statute of the Commission and, together with the United Nations itself, participate in the United Nations common system of salaries and allowances. One other organization, although not having formally accepted the statute, participates fully in the work of the Commission.

B. Membership

3. The membership of the Commission for 2000 is as follows:

Chairman

Mohsen Bel Hadj Amor (Tunisia)***

Vice-Chairman

Eugeniusz Wyzner (Poland)***

Mario Bettati (France)**

Turkia Daddah (Mauritania)***

Alexei Fedotov (Russian Federation)*

Corazon Alma de Leon (Philippines)*

Humayun Kabir (Bangladesh)*

Lucretia Myers (United States of America)**

João Augusto de Médicis (Brazil)**

Ernest Rusita (Uganda)*

José R. Sanchis Muñoz (Argentina)***

Alexis Stephanou (Greece)**

Wolfgang Stöckl (Germany)***

Ku Tashiro (Japan)**

El Hassane Zahid (Morocco)*

* Term of office expires 31 December 2000.

** Term of office expires 31 December 2001.

*** Term of office expires 31 December 2002.

C. Sessions held by the Commission and questions examined

4. The Commission held two sessions in 2000: the fifty-first, which took place from 3 to 20 April at the headquarters of the International Atomic Energy Agency (IAEA) in Vienna, and the fifty-second, which took place from 17 July to 4 August at United Nations Headquarters in New York.

5. At those sessions, the Commission examined issues that derived from decisions and resolutions of the General Assembly as well as from its own statute. A number of decisions and resolutions adopted by the Assembly that required action or consideration by the Commission are discussed in the present report.

D. Subsidiary body

6. The Commission's Advisory Committee on Post Adjustment Questions (ACPAQ) held its twenty-third session at United Nations Headquarters in New York from 24 to 31 January 2000. It consisted of the following members: Eugeniusz Wyzner (Poland), Vice-Chairman of the Commission and Chairman of the Committee; John Astin (United Kingdom of Great Britain and Northern Ireland); Edmundo Berumen-Torres (Mexico); Yuri Ivanov (Russian Federation); Yuki Miura (Japan); and Emmanuel Oti Boateng (Ghana).

E. Programme of work of the Commission for 2001

7. At its summer 2000 session, the Commission considered its programme of work for 2001 and decided that it would revise the agendas reported to the General Assembly for its fifty-third and fifty-fourth sessions in the light of a major change in the work programme. Beginning at its fifty-first (April 2000) session, the Commission decided to place emphasis on a review of the salary (pay and benefits) system. As a result, some items scheduled for 2001 would be subsumed under that topic and others postponed. The new programme of work is contained in annex I to the present report. The Commission's planned approach to the review of the salary system is outlined in paragraphs 32 to 47 and annex III. The Commission further decided to hold a single joint session of three weeks during 2001, instead of two sessions of two

weeks each. The resource allocation for the remaining week would be used towards the funding of ICSC members' participation in the various working groups established by the Commission. The Commission noted, however, that additional resources might be required.

Chapter II

Resolutions and decisions adopted by the General Assembly and the legislative/governing bodies of the other organizations of the common system

8. The Commission considered documentation in response to General Assembly resolution 54/238 of 23 December 1999 on the common system. The Commission was also provided with the details of the ICSC Chairman's presentation of the twenty-fifth annual report of the Commission¹ 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.

9. 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. In that context, the resolutions/decisions adopted by the United Nations, the International Labour Organization (ILO), World Food Programme (WFP), United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Meteorological Organization (WMO) and the International Atomic Energy Agency (IAEA) were brought to the attention of the Commission.

Chapter III

Conditions of service applicable to both categories of staff

A. Report of the Working Group on the Framework for Human Resources Management

10. The Working Group on the Framework for Human Resources Management was created by ICSC at its forty-eighth (July 1998) session, in response to General Assembly resolutions 51/216 of 18 December 1996 and 52/216 of 22 December 1997, in which the Assembly called upon ICSC to play a lead role in the development of innovative approaches in the field of human resources management as part of the overall reform currently taking place in the organizations of the common system. The Working Group was composed of members of the Commission, representatives of the organizations and a representative of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA), as well as members of the ICSC and Consultative Committee on Administrative Questions (CCAQ) secretariats. The Working Group met four times between February 1999 and February 2000.

11. The Working Group reported its progress to ICSC at its 1999 spring and summer sessions, on the basis of which the Commission presented in 1999 a preliminary report to the General Assembly. In its most recent resolution, resolution 54/238, the Assembly welcomed the progress made to date and requested the Commission to continue its work as outlined in its twenty-fourth annual report.

Views of the organizations

12. The Secretary of CCAQ noted that last year CCAQ had welcomed the work in progress accomplished by the Working Group on the Framework for Human Resources Management. Representatives of five organizations and the CCAQ secretariat had worked hard with the other members of the Working Group on the project and the organizations were very grateful for the rigorous and serious manner in which the task had been accomplished. CCAQ underlined, as it had last year, how much it appreciated the positive and collaborative spirit manifested in the Working

Group. CCAQ referred in its opening statement to the value of highlighting the linkages between the different elements of human resources management so that it could be seen how action in one area would impact on others. The Framework was a dynamic instrument which would need to be updated as issues, events and the body of knowledge relevant to the profession evolved over time. For example, there would be a need to revisit the segment on staff/management relations to ensure that the text was aligned with the work on the Standards of Conduct for the international civil service.

Views of the staff representatives

13. The President of CCISUA noted the outcome of the deliberations on human resources management, recalling that she had participated actively in the Working Group. She fully supported the Framework. CCISUA had made available to the Commission a document on a proposed new system of career development for the international civil service. CCISUA was of the view that the current dispersed career management system did not promote a culture of creativity or an environment in which staff could feel the satisfaction of working for a higher purpose. It was the hope of CCISUA that the new and visionary approach contained in the CCISUA document could be considered in conjunction with the consideration of the documents on the pay system and the human resources framework which were before the Commission at its current session. The document focused on the forecasting of the actual needs of the organizations and on proper planning for the selection and recruitment of future staff. CCISUA believed that the United Nations should build on its reputation as a global body with a noble calling and the notion of public service. Idealism still drew many young men and women to the Organization. What was, however, essential was improvement in the work environment, conditions of service, pay scales and credible career management as part of a comprehensive and integrated human resources policy to be developed and implemented by the Organization. In meeting the challenges, there was need to reinforce the noble objectives and intent of the founding fathers. It must be ensured that the established principles of Noblemaire and Flemming would continue to govern the conditions of service of staff and were fully respected and maintained.

Discussion by the Commission

14. The Commission expressed its appreciation to all members of the Working Group for the Framework for Human Resources Management, which it considered would form the basis of policy and procedures for the foreseeable future. It recalled that in its most recent report¹ it had reported in some detail to the General Assembly on:

- (a) The development of human resources management worldwide;
- (b) The state of human resources management in the United Nations family;
- (c) The challenges facing human resources managers in the common system;
- (d) Reform efforts by the organizations of the common system;
- (e) The environmental impact on human resources management.

15. At the current session the Commission had before it the completed draft Framework for Human Resources Management. In reviewing it, the Commission recalled that it had given guidance to the Working Group as the work was developing over the past year and noted that its guidance had been reflected in the final product.

16. It was recalled that the work on the Framework to date had led to the setting of certain priorities for future work, as reported by the Commission in its 1999 report to the General Assembly. At the fifty-first session, the Commission had addressed the first priority, a revision of the 1954 Standards of Conduct for the International Civil Service, and had commenced work on the subject identified as a second priority, the pay and benefits system.

17. The Framework identified the internal and external forces that impacted on human resources strategies and contained six major human resources areas with a number of sub-areas. The six areas were:

- (a) Ethics/standards of conduct for the international civil service;
- (b) Compensation and benefits;
- (c) Employment;
- (d) Career management;

(e) Good governance;

(f) Human resources information management.

The Commission considered that the Framework had been strengthened by the definitions that had been developed for each major area, the identification of core/non-core areas, the linkages to other components and the underlying guiding principles. Core areas were defined as those that bound the United Nations family together in order to:

(a) Avoid any competition in the employment of staff that might result from fundamental differences in the compensation package;

(b) Promote common values of the international civil service;

(c) Facilitate mobility of staff across the system.

18. The Commission observed that, although human resources strategies had in the past been developed in individual organizations, this was the first time an attempt had been made to provide a framework that could guide the common system. This made it a valuable tool, not only for skilled human resources practitioners, but for others who might wish to develop strategies in their organization. This was also the first time that core elements had been identified, together with clear explanations of how all the various human resources areas were linked and what principles should guide work in each area. The 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.

Conclusions of the Commission

19. The Commission adopted the Framework for Human Resources Management, as set out in annex II to the present report, and concluded that it was a dynamic tool which should be continuously updated as needed. The Commission intended to use it to guide its future work, as outlined in paragraph 18 above. It recommended to the organizations that the Framework for Human Resources Management should form the

basis of their future work on human resources policies and procedures and that they should bring it to the attention of their governing bodies.

B. Draft standards of conduct for the international civil service

20. The Commission decided at its forty-seventh session (April/May 1998) 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. This decision was noted by the General Assembly in its resolutions 52/252 of 8 September 1998 and 54/238 of 23 December 1999. A working group established by the Commission, with the full participation of representatives, including legal advisers, from the organizations and both CCISUA and the Federation of International Civil Servants' Associations (FICSA), 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. Between the fifty-first and the fifty-second session the secretariat circulated the revised draft to the organizations for comment.

Views of the organizations

21. CCAQ took note of the information presented in the document in respect of the comments of the organizations on the text of the draft standards of conduct revised by the Commission at its previous session. As stated at the fiftieth and fifty-first sessions, the Standards of Conduct were a cornerstone of the international civil service. It was of paramount importance, therefore, that the final product should reflect the best current thinking and the relevant language of the time so that, like the 1954 model, it would stand the test of time. For CCAQ, the key consideration was that the revisited standards should be introduced by all organizations. Hence, they must be acceptable to all governing bodies that were sovereign in that area. Were governing bodies not to adopt a revised text, there was the distinct possibility that there could be a proliferation of different and even divergent

texts. For CCAQ that would be the worst possible outcome of all the efforts made to strengthen the international civil service. There was serious concern about going forward with the current text. Some organizations preferred to retain the 1954 text and others wished to develop a revision of their own.

22. The goal was to provide the United Nations family with updated standards of conduct which would be as inspirational as those in the 1954 model. The current text, whatever its substantive shortcomings, lacked gravitas. It would not inspire those joining the international civil service to strive to meet the Charter values of independence, impartiality and integrity in the way that its predecessor had. CCAQ asked the Commission to consider constituting a new tripartite working group with as many of the former actors as possible, including members of the Commission. The task of the working group would be to revisit and reconsider the texts which had to date been put forward with a view to achieving consensus. Above all, the tone and style of the final product must reflect the unique ideals and goals of service in the organizations of the United Nations system.

Views of the staff representatives

23. The President of CCISUA considered that the draft standards of conduct reflected a departure from an agreed text of revised standards prepared by the tripartite working group, in which CCISUA had participated fully. CCISUA had not been invited to submit any written comments on the contents of the document owing to the fact that only organizations had been invited to comment on inconsistencies with their legislative framework. As mentioned in the past, ICSC standards of conduct were to reflect the overarching ideal of behaviour and conduct for the international civil service committed to serve global peace and prosperity. In that light it was difficult to see how the standards could be subject to the internal rules and policies of one or more member organizations. As could be seen from the comments, while some organizations had no legal problems with the redrafted standards, others pointed out incompatibilities with their rules. CCISUA considered that to be a negative approach to the upcoming decade in which a new set of guidelines should govern the administration of the global community.

24. CCISUA considered that the general tone and approach of the document was not inspirational but

rather dictatorial and induced prohibitions. In the same vein, the poetic language of the 1950s had been replaced by a text of a more pragmatic and retrospective nature. There was a degree of overlap between what appeared as core values and guiding principles on issues related to integrity and competence, in particular. Terms such as gender equality and harassment were too general and left latitude for interpretation. The President made a number of specific comments, which she made available in writing, highlighting areas of the text where the working group's draft had, in her view, been weakened by the changes made by the Commission.

25. That overly prudent approach to such important issues coincided with the recognition of an equal partnership under a collective bargaining agreement at ILO between staff and management, which had entered into force on 1 April 2000. To the envy of CCISUA, that was only a first step towards substantive agreements on issues such as grievances, career development, harassment at work, recruitment, etc. While that revolution was in the making at a sister organization, CCISUA members in the United Nations had suffered from a backward and unmotivational pattern of managerial behaviour, tainted by a traditional approach to the management of the Organization. ICSC should not only ensure a common system approach to issues related to staff management but should also provide a set of guiding principles for all organizations to follow.

Discussion by the Commission

26. The Commission recalled the reason for the current exercise and the way in which it had come before ICSC. In 1998, when the United Nations was about to adopt a code of conduct for its staff, the General Assembly had requested the views of the Commission. Those views were subsequently taken into account and the United Nations had issued the code as an amendment to its staff rules and regulations. At approximately the same time, the Commission had begun work on a framework for integrated human resources management which included a component on ethics/standards of conduct for the international civil service. The Commission drew a distinction between specific regulations and rules which might vary, depending on the different needs of the individual organizations, and a core of common standards which should guide the entire civil service. It therefore

decided to update the 1954 Standards in cooperation with the organizations and staff representatives, with a view to modernizing the language and reflecting new developments and concepts that had not existed, or were of lesser importance, at the time the 1954 Standards were written.

27. The Commission observed at the outset that some organizations had provided comments between sessions on the revised draft and that, of those comments, few pertained to legal aspects, relating largely to editorial/drafting changes, although some of them were of a substantive nature. The Commission took note of the concerns expressed by the staff and the organizations that had provided comments. Further, it was evident to members that at the current stage the organizations had not reached consensus among themselves on the standards.

28. The question before ICSC at the current juncture was to decide how to proceed in the light of the views of the organizations. There were those who considered that the outcome of the exercise would have value only if they found favour with the organizations. If the standards were to go forward during the current year, they might not receive broad acceptance. The Commission wished to make it clear that it stood ready during the current session to work on a new draft that considered all comments submitted by the organizations and the staff representatives. It noted, however, that the organizations were not prepared to finalize the standards at this time.

29. Others pointed out that at its previous session, when ICSC had reviewed the working group's draft standards, it had introduced changes only after undertaking a painstaking analysis of all drafts and listening carefully to all opinions. Moreover, it was not the role of the Commission to endorse in a perfunctory or automatic manner the results of a working group. Working groups were established by the Commission to formulate recommendations for consideration by ICSC.

30. The Commission noted that changes had been introduced to approximately half of the working group's draft. Since many of the changes were minor, some members felt that the Commission should reconsider at the current session the draft standards in a working group of the whole. Others did not believe that to be a productive approach; since many organizations were not present to give their views, at the end of the

day the Commission could be faced with new or similar objections on the part of some organizations. After a lengthy discussion, a consensus emerged to postpone the exercise until next year, at which time ICSC was committed to completing it.

Decision of the Commission

31. 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. The Commission again called upon the organizations to present their complete views and, to the extent possible, to 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.

C. Human resources management: review of the pay and benefits system

32. At its fifty-first (April 2000) and fifty-second (July/August 2000) sessions, ICSC pursued its discussions related to the review of the system of pay and benefits together with the corresponding job classification system. The Commission recalled that the General Assembly, in its resolutions 51/216, 52/216 and 53/209, had requested ICSC to take the lead in analysing new approaches in the human resources management field and to that end had developed a framework for human resources management (see paras. 10-19 and annex II). It was in that context that the highest priority had been accorded to the reform of the current salary system.

Views of the organizations

33. The Chairman of CCAQ summarized his views on the problems and issues related to the current pay and benefits system. The current system was based on work practices and assumptions that were no longer valid. In particular, a system featuring lifelong careers did not meet the needs of all organizations; more and more, organizations were opting for more limited, non-career appointments. The current system did not serve managers who were increasingly held accountable for the effective management of human resources, nor did it allow for team-based approaches. The system was rigid and not able to reflect changes in the nature of

work, in the mandates and missions of the organizations or to respond to new demands and staff expectations. The objective of the review, while maintaining the Noblemaire and Flemming principles, would be to reward staff in such a way that clear links were established with merit, competence, responsibility, accountability and performance. A revised system should enable organizations to attract and retain high-quality staff, including senior management staff and particular categories of professional/technical staff in short supply, and provide high-performing staff with well-defined career progression opportunities. Encouraging staff mobility, strengthening the international civil service and achieving greater flexibility in the composition and application of the overall rewards package were other objectives that should be pursued when reviewing the pay and benefits system.

34. The Chairman of CCAQ presented a range of issues to be included in the next stage of the review. They included: (a) reform of the job classification system by incorporating competencies; (b) broad-banded and job family pay structures; (c) a senior executive service; (d) paying for contribution; and (e) strengthening performance management systems. Simplification of entitlements and a review of the dual salary scale reflecting family status should also be included in the review. CCAQ suggested the establishment of working group(s) in which all partners should be involved, including managers (and programme managers), to move the process forward in the most cost-effective manner. The Chairman recommended a holistic approach that took into account the linkages between the different areas of human resources management as identified in the Framework for Human Resources Management.

35. The representative of the United Nations considered that it was necessary to clarify the objectives of the review of the pay and benefits system, agree on the principles to guide it, identify the obstacles to change and decide on the issues to be addressed, in order of priority. She subscribed to the general approach for the review presented by CCAQ and clarified the primary objectives of the United Nations: to replace the current complex and rigid remuneration system with a streamlined competitive system; to reward staff on the basis of merit, competence and both individual and team performance; to introduce mechanisms to permit greater flexibility;

to complete the performance management system of the organization through greater flexibility in rewarding high-performing staff; and to establish a simpler system which was easier to administer. The principles that should guide the review included the Noblemaire principle, recognition that the pay system was a management system and must be developed in the context of overall organizational strategy, strengthening the independent and international character of the common system's civil service and the involvement of all parties. The United Nations was open to further consideration of the issue of broad banding and believed it must be accompanied by strong performance management systems and trained managers; it did not support the suggestion of a single salary scale for staff members with or without dependants.

36. The organizations agreed that the pay and benefits system needed to be reinforced to achieve the goals of the organizations and welcomed the proposal of establishing working groups to move forward. The representative of ILO specified that his organization was implementing a major internal human resources reform agenda, including proposals for changes to job classification arrangements which might lead to a form of broad banding. The representative of IAEA reported that his organization employed a highly specialized workforce for whom mobility was in most cases not relevant. IAEA was also implementing some changes, for example, providing additional authority to managers; the Agency was seeking flexibility, transparency and simplification, as well as a results-based budgeting system. It was also considering a premium for limited-duration employment.

Views of the staff representatives

37. The President of CCISUA considered that problems related to the financial crisis and its immediate impact on the budget of the Organization, which had persisted over a decade, had led to stagnation in jobs and salaries, promotion and recruitment and, above all, deterioration of conditions of service of the international civil service. In the late 1990's, more people had left the organization than had been recruited, among them mainly staff with expertise, skills and knowledge. Today the Organization could barely compete in the world market and attract highly qualified individuals. Desperate to maintain the edge in the world of competition, the

reformers were now ready to experiment with any new and old ideas, reshape the pay package and nibble around the edges of entitlements or even rewrite the basic principles and rules of employment.

38. One of those new experiments, in her view, was the broad-banding approach which consisted of collapsing a great number of jobs into one band and providing a pay scheme based on market value. A lack of job evaluation, job comparison and increased flexibility in job assignments and a de-emphasis on job hierarchy were the main ingredients of this new approach. Banding would open the door to a very different way of managing salaries, reduce the importance of personnel in salary management, change the role of managers and require them to make decisions concerning the pay and benefits of their staff and eliminate the need for job classification and job-to-job comparisons. Such a system was not appropriate in a multicultural organization. She considered that there were many unknowns requiring further exploration. Banding would change the organization, reduce opportunities for promotions and upward mobility and open the door to the mismanagement of salaries, given the inadequate knowledge and skills of most managers, and to manipulation, chaos and patronage. Above all, it would challenge the two basic principles of Noblemaire and Flemming. Following the road to broad banding meant that job evaluation and equal pay for equal work concepts had to be abandoned. Staff would be left with the uncertainty of how to establish a new base for the determination of their salaries.

39. CCISUA supported the necessity of a new focus on the pay system and advocated the idea of basing pay and promotion on performance and merit; at the same time CCISUA was not convinced that such a drastic shift was either feasible or practical. CCISUA advocated change in what it saw as a rather stale system of recruitment and promotion. The current system contributed to low morale and low productivity among staff. CCISUA had elaborated a new approach to the pay and career system, based on merit, performance, knowledge and expertise; training was promoted as the main principle for moving between grades and as a prerequisite for upward mobility. The proposal eliminated the current two-class system and provided for geographic mobility, but did not challenge the basic principle of the pay system, the Noblemaire principle.

Discussion by the Commission

40. The Commission reflected with satisfaction on the recently held Forum on human resources management, which had taken place in a retreat setting from 14 to 16 July. The two major topics under discussion, the possible introduction of a senior executive service (SES) and the broad-banding approach to pay, were most relevant to the issues currently faced by the organizations of the common system. The discussions on the concrete cases presented by experts from the Netherlands and the United States federal government on the SES and the World Bank and the Australian Public Service on the implementation of broad-banded systems provided participants with the opportunity to deepen their knowledge of those matters.

41. The Commission considered that the ICSC Forum, together with the secretariat's documents on the pay system, had facilitated the dialogue on reform, which involved very complex issues. The Commission observed that a competitive system of remuneration, able to reflect changes in the missions and mandates of the organizations and new requirements in terms of skills and competencies, was a critical element in ensuring the competitiveness of international organizations in today's fast-changing world. The Commission shared the vision and analyses presented by CCAQ, in particular the need for a holistic approach to review the pay and benefits system, which would take into account the linkages between various areas of human resources management as defined in the integrated framework for human resources management.

42. The Commission recalled that concerns with the current pay and benefits system had first been expressed well over a decade ago in the context of recruitment and retention difficulties faced by the organizations. Those concerns remained, centring today on the system's rigidity and its inability to reflect and address the fast-changing nature of work in the United Nations system, including the evolution in organizations' mandates and missions, and to take into account external labour market forces. No less important was the lack of any strong link between pay and performance. The Commission took note of the added need to simplify both the system and its administration through the introduction of modern streamlined approaches.

43. In discussing the current job classification system, ICSC noted that it served the purpose for which it had been designed in the 1970s, but was not flexible enough to respond to today's needs and accommodate the demand for flatter organizational structures, team-based approaches and staff possessing new skills and multi-skills. It considered that the pay and benefits system, conceived for the needs of another era, hampered both managers and staff from fulfilling the role they should have in modern and efficient organizations, that is, managers who were innovative and accountable and staff who added value at every level. Lastly, it might not meet the aspirations of younger staff who might be less motivated by notions of job security and seniority and more so by the challenge of enhancing their own competencies through mobility and being rewarded for their personal contributions.

44. On the basis of the above-mentioned considerations, ICSC decided to establish mechanisms to allow for the broadest possible participation and discussion on the part of the organizations and the staff. A steering committee would be created under the overall coordination of the ICSC Chairman to 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.

45. A consensus emerged on three areas requiring priority treatment: (a) the nature of work; (b) rewarding contribution; and (c) management capacity. These would be dealt with by open-ended focus groups established at three headquarters duty stations: New York, Geneva and Vienna. The focus groups would be responsible for analysing one area each, bearing in mind also the external factors affecting the United Nations system today, and proposing options for consideration by the steering committee.

46. In line with the foregoing discussion, the Commission developed a broad outline and terms of reference for the work of the steering committee and focus groups (see annex III).

Decision of the Commission

47. The Commission decided to move forward with the review of the pay and benefits system in accordance with the modalities described in annex III to the present report.

D. Recognition of language knowledge in the United Nations system

48. In 1998, ICSC had recommended to the General Assembly that the language incentive scheme for the Professional and higher categories, in organizations which offered it, should be discontinued as currently applied and replaced by a non-pensionable bonus. The scheme for staff in the Professional and higher categories was an incentive, which provided accelerated within-grade step increments (10 months instead of 12 months at regular steps of the salary scale, and 20 instead of 24 months at long-service steps of the scale). Since the incentive was based on net salary levels, which, in turn, were related to pensionable remuneration levels, the incentive was pensionable. The scheme for the General Service and related categories provided a 5 per cent pensionable allowance, which was based on the lowest salary for a bilingual secretary (G-5 or G-4 depending on the duty station). The Commission also recommended to the General Assembly and to the governing legislative bodies of other relevant common system organizations the following:

(a) To pay the language allowance for the General Service and related categories of staff in the form of a non-pensionable bonus, bearing in mind the above recommendation to the General Assembly and on the understanding that the mechanisms for both categories of staff would be aligned;

(b) To ensure that, in the case of both categories of staff, the bonus would be paid only if the language were used in the organization. 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 organizations.

49. The General Assembly, in section II.B of its resolution 53/209 of 18 December 1998, requested the International Civil Service Commission to further review recommendations it had made to the Assembly in 1998 regarding the recognition of language

knowledge. The Assembly specifically requested the Commission to report to it at its fifty-fifth session on:

- (a) The rationale for recommending a change to the existing scheme;
- (b) The degree to which such a scheme would continue to serve as an incentive for multilingualism in the organizations;
- (c) The basis for determining the incentive amounts for both categories;
- (d) Transitional measures;
- (e) The acquired rights of staff.

Views of the organizations

50. The secretary of CCAQ noted that the document prepared by the secretariat essentially recalled what had been recommended two years before to the General Assembly and therefore he recalled the statement of CCAQ at that time. A broad knowledge of languages was not only important to meet specific functional requirements, but also served to enhance understanding across multicultural organizations and to build a more flexible workforce. CCAQ urged the Commission to continue to strongly support language schemes that served to motivate staff to strengthen their language skills so that they could assume the roles that might arise. At a time when organizations were being required to do more with less and staff were required to respond to evolving roles, those incentives assisted in creating more flexible, mobile and multi-skilled staff. Given the organizations' differing mandates, structures, systems and requirements, the modalities for recognition of language knowledge should not, except for a broad policy direction, be determined at the level of the common system. CCAQ therefore strongly urged the Commission to support the continuation of language schemes as currently applied, that is, to support the continuation of both mechanisms, the incentive for Professional and the allowance for the General Service staff.

51. As for the retesting of language skills, it was not possible to draw a valid conclusion on the cost/benefit of retesting based solely on the experience of one organization. For example, the United Nations language programme covered the administration of language proficiency examinations for many other organizations of the system in a vast network of over 100 test sites, with examinations in six official

languages for approximately 3,000 staff members per year. Retesting was not considered cost-effective in that case. CCAQ supported the proposal to inform the General Assembly that the issue would need to be addressed in the context of the larger study of pay and benefits.

52. The representative of the United Nations strongly supported the current incentive schemes to promote language knowledge among its staff, which were a central part of its multilingualism policy. The United Nations representative questioned the concept of retesting, as it appeared that the savings to be gained from withdrawing language allowances would be much lower than anticipated. Furthermore, savings would be significantly offset by the administrative costs of the retesting process, as well as the costs related to the withdrawal of the allowance and the possible reinstatement of such an allowance after a subsequent retest. The Office of Legal Affairs of the United Nations, in reviewing a proposal for retesting, had confirmed the need for numerous exemptions to avoid legal challenges.

Views of the staff representatives

53. The President of CCISUA noted that many staff members actually studied languages to obtain the benefits currently on offer and thus had acquired rights in the current system. Therefore, the benefits should remain pensionable. Regarding retesting, she noted that it would not be cost-effective and that it would be a time-consuming effort.

Discussion by the Commission

54. The Commission took up the request of the General Assembly to review further its recommendations regarding the recognition of language knowledge and the specific questions raised in that context as outlined in paragraph 49 above.

(a) Rationale for recommending a change to the existing system

55. The Commission recalled that its reason for recommending the discontinuation of the current schemes was that they did not effectively promote a culture of multilingualism. Moreover, the amounts for the incentive and the allowance were different; therefore, there was no equity between them. Consequently, the Commission had recommended the

replacement of existing arrangements by a single, unified scheme consisting of a non-pensionable lump-sum bonus. That bonus was to be a direct transparent amount and its purpose clearly identifiable by staff. It was generally accepted that, to have the greatest effect, rewards should be clear, recognizable, immediate and of reasonable value. A feature of the lump sum was that it would not be pensionable since, in the Commission's view, the importance attached by the employer to the languages in the workplace should not translate into a continuing after-service benefit.

(b) Degree to which such a language recognition scheme would continue to serve as an incentive for multilingualism

56. The Commission noted that the impact of language recognition schemes on the furtherance of multilingualism was difficult to assess. However, since both the Commission and the organizations believed in the value of such schemes and supported reasonable financial measures for both categories of staff, a more visible, palpable and transparent incentive for the Professional and higher categories might be more effective than the current one. Moreover, the amount would need to be significant for staff to be motivated to gain proficiency in another language. It was observed that globalization and the wide availability of language knowledge in the worldwide labour markets called into question the need for an incentive or allowance in the United Nations system. However, if the current schemes were eliminated or the amounts reduced, that could have an undesirable effect on the prevalence of multilingualism in the common system and suggest that the employer did not attach value to that policy.

57. The Commission noted that, depending upon the organization, the proportion of staff in receipt of the language incentive ranged from 5 to 58 per cent, while for the language allowance, it ranged from 4 to 55 per cent. Those figures were indicative of the extent to which financial rewards had been successful in motivating staff to become multilingual.

(c) Basis for determining the incentive amounts for both categories of staff

58. The Commission recalled that, in 1998, it had expressed the view that it would be desirable to harmonize the two schemes and had provided some general guidelines relating to the amount of the allowance which it had left to the organizations to

establish and coordinate. The guidelines provided that the allowance should not be tied to the base/floor salary scale, that it should be a rounded lump-sum amount and that it should be reviewed periodically. The Commission recalled that it had reviewed levels of incentive amounts which could be considered in establishing the amount for both categories of staff, but continued to consider that the organizations themselves should determine the specific amounts.

(d) Transitional measures and acquired rights

59. The Commission noted that all staff who received the current benefit would continue to do so in accordance with the principle of acquired rights. That would require transitional measures with numerous staff members under one system and newly qualifying staff under another, adding yet another level of administrative difficulty to the system.

60. At the current stage, the Commission considered that the issue should be reviewed in the context of the larger study of pay and benefits upon which the Commission was embarking.

Decision of the Commission

61. The Commission decided to inform the General Assembly 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.

E. Education grant

1. Review of the purpose, scope and application

62. 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.

Views of the organizations

63. The Chairman of CCAQ underlined the growing mobility requirement of staff of most common system

organizations. If staff were to undertake their work effectively, the organizations had to provide the necessary support so that families did not unduly suffer from the consequences of the place of assignment. The education grant was payable only to eligible expatriate staff and only upon presentation of certified receipts of attendance and bills from schools. Moreover, this reimbursement represented only 75 per cent of the total costs of educating a child and was subject to a strict maximum reimbursable amount or ceiling which the Commission itself determined. In all circumstances, therefore, staff members would have to meet at least 25 per cent of education costs. Referring to the previous reviews of the grant, he pointed out that the initial assumption underlying the grant had broadened since its inception. Unlike its early days, when the United Nations consisted of some 50 Member States mainly from developed economies and with staff concentrated in a few duty stations, staff now came from some 190 countries from all types of economies. Many were required to be more mobile than before. In addition, important changes in society had taken place, in particular the growth of families with dual citizenship. The grant concept had had to incorporate those realities.

64. Since a further review of the scope and purpose of the grant would inevitably be included in the overall review of the pay and benefits system, CCAQ did not consider it opportune to request the governing bodies of common system organizations to review the matter with a view to harmonizing their staff rules and regulations at the current stage. CCAQ was committed to streamlining approaches to the payment of the grant as currently defined and to working with the ICSC secretariat on a less laborious process for determining the levels of the grant.

65. The representatives of several organizations stressed that the education grant was a fundamental element of the total compensation package of international staff and an important attraction and retention tool. They underlined the expatriate nature of the grant and indicated that it was paid to internationally recruited staff with the exception of nationals residing in their home countries. Organizations' representatives welcomed the efforts to simplify the grant since its administration, both in terms of claims processing and data collection, had become extremely complex, time-consuming and labour-intensive.

66. A note of caution was expressed against the lump sum approach. The level of the grant payable to different staff members at the same duty station could vary significantly, which made it extremely difficult to average the costs into a fair lump sum amount.

Views of the staff representatives

67. The President of CCISUA revealed that the purpose and use of the education grant as approved by the General Assembly had expanded over the years. The grant process itself had become more complex and time-consuming for both its administrators and its beneficiaries. She welcomed the idea of reviewing the education grant methodology, including a lump-sum payment approach. She also suggested that a lump sum payment should be separated from a home leave payment as practised by the World Bank. The lump sum should be related to education fees in the country of the duty station and adjustments should be made based on movements of these fees.

68. With regard to the harmonization of education grant practices, she noted that the acquired rights of staff in organizations where all internationally recruited staff qualified for the grant should not be taken away. Thus, in order to be fair the United Nations and other organizations should allow all internationally recruited staff to qualify for the grant. She also noted that many staff claims were well below the maximum grant allowed and that at the primary and secondary levels many staff did not avail themselves of the grant. She reaffirmed CCISUA's position that an effort should be made to remove the current two-class system in the organizations. For financial reasons, one group of staff was deprived of receiving an education grant, which did not remove, however, the legitimate expectations of more than 50 per cent of the staff who, under the current system, were not entitled to benefit from the grant.

Discussion by the Commission

69. The Commission recalled the history and the evolution of the education grant including the practices of the comparator with regard to education assistance and reviewed proposals for streamlining the grant. It responded to the issue of harmonizing the education grant practices of organizations with those of the United Nations.

70. The Commission further recalled that provision of assistance to education costs was one of the longest-standing features of the United Nations system of salaries and allowances, dating back to 1946. The evolution of the grant had mirrored the evolution of the United Nations, which had grown from a handful of locations in its early days to a worldwide network of locations with diverse conditions. It could be traced to the need to recruit and reassign staff resulting from the expansion and diversification of United Nations operations. The grant had been the subject of numerous reviews by the Commission and other review groups over the years. Although its definition and scope had broadened over time, the Commission recalled that in all previous reviews it had come to the conclusion that the grant should be maintained as an expatriate benefit.

71. The Commission noted that the United Nations common system and the comparator had different approaches to providing education assistance. The United States fully reimbursed primary and secondary education costs and excluded post-secondary studies; the common system subsidized primary, secondary and university levels of education costs at 75 per cent of actual costs up to a maximum. The Commission recalled that a number of previous studies had clearly demonstrated that while there were some areas where the common system exceeded the comparator in educational assistance, there were other areas where the reverse was true.

72. The complexity of administering the grant was seen as a key issue. While a lump sum approach was put forward as one possible way of streamlining the system, it was suggested that streamlining and all other aspects of the education grant would need to be considered in the larger review of the pay and benefits system (see para. 81 (c) below).

73. The Commission noted the differences in the eligibility criteria for the grant, which were applied by different organizations of the common system, in particular at Geneva. It concluded that for that reason the General Assembly had requested the Commission to harmonize the education grant practices of the organizations.

74. The Commission addressed the General Assembly's request as described below.

(a) Review of the education grant methodology

75. The Commission stressed that the education grant was an essential element of the total compensation package. It was seen as an important tool for attracting and retaining staff of the common system and increasing their mobility. While an idea was put forward to recognize it as a social benefit of international service, most members supported the continuation of the grant as an expatriate entitlement provided to eligible internationally recruited staff.

76. The Commission noted the evolution of the scope and purpose of the education grant over the years. It was now accepted as a partial assistance to expatriate officials in meeting some of the costs of educating their children as a result of expatriation. Although some questions were raised with regard to the appropriateness of the application of the grant, it was generally felt that the current application was justified in view, inter alia, of the globalization of United Nations operations, changes in education patterns and increased mobility of staff among duty stations.

77. While the Commission recognized the complexity of the current system, different views were expressed with regard to its simplification and the proposed lump sum option. Although the general idea of streamlining the system was welcomed, most members advocated a cautious approach to its simplification. The Commission considered that the application of modern technology to the processing of education grant data would significantly advance the simplification of the system. This would be true for both the administration of the education grant system and the review of the level. It was felt that overly drastic streamlining could lead to inequity among duty stations, as well as among staff of the same duty station. The lump sum approach took no account of the varying conditions in different countries in terms of education costs or levels of education. Simplification was not an end in itself and should not be considered at the expense of control or equity of payments, as well as the quality of education received. As the lump sum approach did not obviate the need for data collection and monitoring as well as for adequate control, doubt was expressed that it would bring about a significant reduction of administrative costs or be less cumbersome than the current mechanism. In addition, at the time of the next review of the education grant, the Commission would examine the relevant practices of the comparator.

78. On the other hand, the view was expressed that the lump sum approach could lead to rationalizing the grant payment mechanism, which had become obsolete and costly and was not transparent. It was considered that organizations' positive experiences could be studied with a view to their possible application across the common system. In particular, the idea of direct payments to schools deserved further attention. It was considered that views of the organizations on specific problems relating to the administration of the grant should also be sought.

(b) Harmonizing education grant practices

79. The Commission agreed that harmonizing education grant practices was an important and delicate issue. It recalled that at the time the General Assembly had requested ICSC to address the issue of expatriate entitlements granted to staff members living in their home countries while stationed at duty stations located in another country, a related issue had been of concern to the Commission and the Assembly. That issue had involved the operation of the post adjustment system, particularly as it related to Geneva, where a proportion of Geneva-based Professional staff were living in French communities bordering Geneva. Some of the same considerations were relevant in the context of both post adjustment and expatriate entitlements. As in the case of the post adjustment issue, the primary difference among the organizations was the definition of duty station, with the United Nations definition including contiguous parts of France while the specialized agencies did not define the term "duty station" to include any parts of France.

80. The Commission had reported to the General Assembly that the harmonization of the organizations' divergent positions was a legal matter. The definition of "duty station" was a matter of policy to be decided by the governing bodies of the international organizations. There were no technical constraints. A change in the organizations' legal framework to reflect a new definition would permit harmonization of the education grant practices. The Commission was therefore of the view that the General Assembly should be informed that this issue should be revisited by the governing bodies of the organizations with a view to harmonizing the staff rules and regulations along the lines of those of the United Nations.

Decisions of the Commission

81. The Commission decided:

(a) To recommend to the General Assembly that the education grant should continue to be treated as a benefit payable to internationally recruited staff with expatriate status;

(b) To inform the General Assembly that it 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 lines of those of the United Nations;

(c) To report to the General Assembly that further consideration of the scope and purpose of the education grant would best be conducted under the overall review of the pay and benefits system, which is currently under way.

2. Review of the level

82. ICSC had approved a methodology for the determination of the levels of the education grant in 1992, which had subsequently been endorsed by the General Assembly. In 1997, ICSC had modified its earlier methodology and those modifications had also been endorsed by the General Assembly in its resolution 52/216, section III.A. The Commission currently had before it a report of CCAQ on the education grant levels resulting from the application of the above-mentioned methodology, including related modifications. Expenditure data on 8,480 claims for the academic year 1998/99 had been analysed in the 17 individual currency areas under the education grant.

83. Under the approved methodology, the trigger point for reviewing education grant levels in a given currency area occurred when 5 per cent or more of the cases exceeded current maximum admissible expenditure levels. For currency areas with few staff members, the maximum admissible expenditure adjustment mechanism was triggered only if a minimum of five claims exceeded the existing maximum admissible expenditure level. The CCAQ study, undertaken in the biennial review cycle, had identified five currency areas where that trigger point had been reached (Belgian franc, Irish pound, Italian lira, Swiss franc and United States dollar in the United States of America).

84. As regards the reimbursement of boarding costs, it was pointed out that at designated duty stations where educational facilities were either not available or deemed to be inadequate, boarding costs were reimbursed over and above the applicable education grant limit. At all other duty stations, when boarding was not provided by the educational institution or by a boarding institution certified by the school, reimbursement of boarding costs at the flat rate was determined within the overall limit of the maximum admissible educational expenses. It was suggested that the normal flat rates for boarding, as well as those for additional reimbursements at designated duty stations, should be revised.

Views of the organizations

85. The Chairman of CCAQ noted that the document, which had been prepared in accordance with the methodology approved by the Commission and endorsed by the General Assembly, related to the standard updating of the levels of the education grant. On the basis of the analysis of the data, CCAQ proposed increases to the level of the grant in five currency areas. In accordance with the revisions to the methodology approved in 1997, CCAQ also proposed an increase in the flat rates for boarding and the additional flat rates for boarding.

86. The CCAQ Chairman noted that the data collection had been an important and painstaking process. A number of the organizations were in the midst of introducing new information technology systems. Others, particularly the field-based organizations, had recently devolved and decentralized responsibility for the administration of education grant claims. The collection and analysis of such detailed information from over 30 agencies and separate administrative parts of the United Nations family had therefore become an ever more complex and time-consuming task. Based, *inter alia*, on a detailed analysis by country of claims in the United States dollar/outside United States area, the Committee also proposed that for efficiency reasons the two United States dollar areas should be re-merged into one United States dollar area.

Views of the staff representatives

87. The President of CCISUA supported the CCAQ proposal to re-merge the two United States dollar areas. She also noted that the education grant was a

reimbursement of up to 75 per cent of the actual expenses upon presentation of bills.

Discussion by the Commission

88. The Commission noted the difficulties that CCAQ had faced in collecting the required data and therefore the incomplete nature of the data. Views were expressed that, given the state of current computer systems, data collection should become easier rather than more complex and time-consuming. It was suggested that the organizations should harmonize their computer systems and software applications to facilitate the collection of those and other data.

89. The Commission reviewed both the movement of school fees and the percentage of claims over the maximum admissible expenses in addressing the proposals of CCAQ and concluded that any adjustment should be made on the basis of the movement of expenses and fees. With regard to expense movements, the goal was to ensure that expatriate staff continued to share a reasonable portion of their children's education. The Commission recalled that in prior reviews it had attempted to balance its consideration of fee and expense movements. Since the expenses and fees did not increase by the same amount, judgement was required in the final determination of the level of the grant. That was once again the case.

90. The Commission noted that, under the current methodology, in currency areas with a small number of United Nations common staff the trigger point to adjust the education grant was rather easily reached. In that regard, the Commission considered that there was a disparity in the trigger points for duty stations in the United States dollar area outside the United States and those in the other 16 currency areas. The Commission felt that it would be appropriate to address the issue of the trigger point at the time of the next review of the methodology for the determination of the level of the grant. The Commission also noted that with the introduction of the euro, the calculation of separate trigger points for the European currency areas would need to be reviewed.

91. The Commission further noted that, in accordance with the methodology, the flat rate for boarding and the additional flat rate for boarding had been updated by the movements of the consumer price index between the date of the last adjustment and the date of the current review. It was also noted that the additional flat

rates had been established at 150 per cent of the normal flat rates.

92. Regarding the proposal of CCAQ to re-merge the two United States dollar areas, the Commission noted that the United States dollar/outside the United States area was a composite of a multitude of countries and currencies having little in common with the United States area. The education expenditures in the United States were higher than the expenditures in those countries that made up the United States dollar/outside the United States area. The Commission noted the concern of CCAQ that some schools in the latter area charged fees at levels which were more comparable to the fees of the country of origin of the school (such as the United States and United Kingdom). However, in 1997, the Commission had decided and the General Assembly had agreed that the Chairman of the Commission should be delegated the authority to approve, on a case-by-case basis, special measures for duty stations in the United States dollar/outside the United States area. That measure seemed to provide relief for the few instances where a disproportionate financial burden fell on staff members assigned to certain countries. The Commission considered that the case-by-case approach had worked reasonably well and should be continued.

Decisions of the Commission

93. The Commission decided to recommend to the General Assembly 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 grant should be set as shown in annex IV, table 1;

(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 members at designated duty stations be revised as shown in 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.

94. The Commission 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.

95. The Commission also 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 determination of the level of the grant.

Financial implications

96. The Commission noted that the system-wide cost implications of the proposed increases were estimated at approximately US\$ 860,000 per year for the system in respect of the increase in maximum admissible expenditure level and \$186,000 per year in respect of the increase in boarding costs.

F. Common scale of staff assessment

97. In 1996, ICSC, in close cooperation with the United Nations Joint Staff Pension Board (UNJSPB), recommended a common scale of staff assessment for the Professional and higher categories and the General Service and related categories for the determination of pensionable remuneration levels of both categories. The General Assembly, in its resolution 51/216, approved the recommended scale with effect from 1 January 1997. At that time, UNJSPB recommended and the Commission concurred that the scale should be updated, as necessary, every two years, based on changes in average taxes at the seven headquarters duty stations. At its fifty-second session, the Commission therefore examined changes in taxes at the duty stations concerned since its most recent consideration of this item. The data showed that average taxes had

increased or decreased only minimally at the relevant income levels between 1997 and 1999.

Views of the organizations

98. CCAQ supported the recommendations of the ICSC secretariat that the current common staff assessment scale should continue to apply until the time of the next comprehensive review of pensionable remuneration. The United Nations representative also supported these recommendations, together with the proposal to review the issue of the use of tax deductions related to employees or retirees for the construction of the staff assessment rates at the time of the next comprehensive review.

Views of the United Nations Joint Staff Pension Board

99. The Secretary of UNJSPB observed that the Pension Board had recommended the biennial review cycle for updating the common scale of staff assessment. He also recalled that the Board had expressed the view that further consideration might be given to the use of retiree tax deduction factors in assessing taxation levels. The Board noted that the issue would be addressed at the time of the comprehensive review. The Board also noted that the changes in the tax rates at the seven headquarters locations had been minor during the past two years, which had led to the ICSC secretariat's recommendation to maintain for the time being the current common scale of staff assessment. The Commission was informed that participants' representatives had considered that an adjustment to the scale should nevertheless be implemented, even if it were relatively small. The Board decided to take note of the document prepared by the ICSC secretariat.

Views of the staff representatives

100. The President of CCISUA supported the continued use of the current common scale of staff assessment and welcomed a review of the use of tax deductions related to retirees for the construction of staff assessment rates. She also noted the factors that had led to income inversion and expressed the hope that the introduction of further methodological changes in tackling that problem would have no adverse impact on the pensionable remuneration of General Service staff.

Discussion by the Commission

101. The Commission noted that the current updating of the tax information which served as the basis for the common scale had shown minimal changes from the tax information reviewed two years earlier. It further considered that the development of the scale had involved the application of some judgement, which would of necessity again need to be applied in the revision of the scale. It therefore considered that the noted changes in the level of taxation at the relevant duty stations would not require an adjustment at the current stage. With regard to the issue of the use of tax deductions related to employees or retirees for the construction of the staff assessment rates, the Commission recalled that it had identified the item for review at the next comprehensive review of pensionable remuneration.

Decisions of the Commission

102. The Commission decided to report to the General Assembly 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, currently scheduled for 2002. In reviewing its work programme, however, the Commission considered that the study of the salary system (see para. 7 above) 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.

G. Implementation by organizations of the decisions and recommendations of the International Civil Service Commission

103. Under article 17 of its statute, the Commission submits an annual report to the General Assembly, which includes information on the implementation by the organizations of the common system of its decisions and recommendations. The Commission decided in 1992 to submit a comprehensive implementation report to the Assembly every two years, in keeping with the biennialization of the work programme of the Fifth Committee. The Commission did not report in 1999 because of competing demands

on its agenda. The Commission therefore had before it information related to decisions and/or recommendations taken between 1997 and 1999; matters on which implementation in some organizations was pending; and issues identified for follow-up by the Commission in 1997.

Views of the organizations

104. CCAQ took note of the findings of the secretariat. The Secretary of CCAQ stated that the organizations' representatives might wish to give clarifications either during the session or in writing in respect of the findings. For its part, CCAQ had two comments: first, the organizations appreciated the revised format and presentation of the report; secondly, CCAQ wondered whether a further interim inquiry at the next session would provide any significant new information, given that the decisions of the General Assembly in 2000 would be known only in December and could therefore be expected to be implemented by organizations early in 2001.

Views of the staff representatives

105. The President of CCISUA took note of the information presented to the Commission. She considered that such reports were useful for the understanding of the work of ICSC.

Discussion by the Commission

106. The Commission observed that implementation reports were essential feedback mechanisms for an understanding of the impact of the work of the Commission on the organizations. Members noted that the presentation of information in database format rendered the content user-friendly. However, in future, it would be preferable to have the document on the subject available well in advance of the session and to take up its consideration early in the session. In this way members could ask any questions they might have about the information in the database and have the replies incorporated into the report before its formal consideration by the Commission. That approach would also make for a richer report. Moreover, its early scheduling during the session would enable the Commission to discuss the issues directly with the representatives of the organizations and adjust, as appropriate, those decisions and recommendations that did not meet the needs of the organizations or were difficult to implement.

107. In view of the above, 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. A higher response rate would have enabled the Commission to examine the total picture with respect to its decisions and recommendations and draw some meaningful conclusions thereon. The Commission noted that the Secretary of CCAQ had assured ICSC that he would ensure that organizations' replies arrived in a more timely manner for the next review.

108. After some discussion as to when to schedule its next review, the Commission decided to do so in 2002, noting that it would not be possible to take it up in 2001, owing to its already heavy agenda. This would also allow sufficient time for the secretariat to ensure the necessary preparatory work and circulate it to members in advance.

Decisions of the Commission

109. The Commission took note of the information relating to implementation of its decisions and recommendations. It noted with regret that the information was not complete, owing to the lack of response from a number of organizations, and it decided to revert to the matter in 2002.

Chapter IV Conditions of service of the Professional and higher categories

A. Evolution of the margin between the net remuneration of the United States federal civil service and that of the United Nations system

110. Under a standing mandate from the General Assembly, ICSC continued to review the relationship between the net remuneration of the United Nations staff in the Professional and higher categories in New York and that of the United States federal civil service employees in comparable positions in Washington, D.C. (hereinafter referred to as the "margin").

111. The Commission was informed that the net remuneration margin for 2000 was estimated at 113.8 on the basis of the approved methodology and currently

existing grade equivalencies between United Nations and United States officials in comparable positions.

Views of the organizations

112. The Chairman of CCAQ took note of the margin forecast for 2000. The Committee noted again with concern the low levels of margin at the higher levels of the salary range. In the course of the discussion of the need to reform the remuneration system, organizations had alluded to the problems that this lack of competitiveness posed for them in terms of recruitment and retention of senior managers. The low levels of the margin at the senior managerial levels were becoming increasingly intolerable at a time when there was a call on managers to manage more effectively and to be accountable for the management of both human and financial resources.

Views of the staff representatives

113. The President of CCISUA noted that the organizations were unable to recruit and retain the most qualified staff owing to the uncompetitive salaries and low levels of the margin at the senior managerial levels. She also noted that an increase of almost 5 per cent was anticipated for the United States federal service, effective 1 January 2001. However, during that period United Nations Professionals would be receiving only a small increase for the movement of cost of living at the base of the system, increasing the gap between the two comparators. United Nations salaries would stand far below the mid-point of the margin range. CCISUA believed that part of the problem emanated from the fact that margin forecasts and reporting were based mainly on the average of grades P-1 to D-2. This had distorted the real impact of changes on the real remuneration base. Today, while it was predicted that the net remuneration of the United Nations staff in grades P-1 to D-2 for the period from 1 January to 31 December 2000 was estimated at the overall of 113.8 on the basis of the approved methodology, which was lower than the 1999 figure, the common system was actually facing the reality that the adjusted ratio for P-4 staff was 112.1, for P-5 staff 111.5 and for D-1 staff 103.5. These discrepancies would become obvious, if only the current methodology for presentation of these data to the General Assembly changed and the true picture would be provided. Maybe as a result of this a decision would be taken for some upward margin adjustment.

Discussion by the Commission

114. The Commission recalled that the Federal Employees' Pay Comparability Act (FEPCA) of 1990 had been designed to gradually increase federal civil service salaries to achieve comparability with non-federal salaries by 2002. For the purposes of margin calculations, Washington, D.C., the base of the United States federal civil service, had been used as a reference point. The Commission noted that under the provisions of FEPCA, the salary adjustment for 2000 covering the employment cost index and the locality pay for Washington, D.C. area would have been approximately 13 per cent. However, as in the past, the United States Administration had submitted an alternative proposal under a provision of FEPCA, citing economic conditions and budgetary considerations. The actual year-to-year (2000 over 1999) increase on a gross basis for Washington, D.C., taking into account both the employment cost index and locality pay adjustment, was 4.94 per cent (5.1 per cent net; see para. 121 below) effective 1 January 2000.

115. As regards prospects for future United States federal civil service pay increases, the Commission noted that the United States Administration and the United States Senate Appropriations Committee had approved a 3.7 per cent pay increase for the uniformed military service for 2001. The fact that the military pay increase had already been determined might limit the federal civil service pay raise for 2001 to 3.7 per cent, as the two had traditionally been linked. However, federal employees' unions and several members of the United States Congress had indicated that they would lobby for a 4.2 per cent increase for federal civil servants for 2001.

Decisions of the Commission

116. The Commission decided:

(a) To take note of the margin forecast of 113.8 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 2000 based on current grade equivalencies;

(b) In view of the revised grade equivalencies between the United Nations and the United States as reported in paragraphs 136 to 149 below, to report to the General Assembly a margin of 113.3. Details of the calculation are shown in annex V to the present report.

B. Base/floor salary scale

117. The concept of the base/floor salary scale was introduced with effect from 1 July 1990 by the General Assembly in section I.H of its resolution 44/198 of 21 December 1989. The scale is set by reference to the General Schedule scale of the comparator civil service in Washington, D.C. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials at the mid-point of the scale (P-4, step VI, at the dependency rate) with the corresponding salaries of their counterparts in the United States federal civil service (step VI in grades GS-13 and GS-14, with a weight of 33 per cent and 67 per cent respectively).

118. The Commission was informed that in view of the movement of the federal civil service salaries in the United States of America as of 1 January 2000 (in Washington, D.C.), an adjustment of the United Nations common system's scale of 5.1 per cent would be necessary in 2001 in order to keep the base/floor scale in line with the comparator's scale.

Views of the organizations

119. CCAQ supported the proposal for an adjustment of 5.1 per cent in the base/floor salary scale, reflecting increases in comparator levels, with effect from 1 March 2001. CCAQ also noted that the increases in the comparator civil service continued to exceed the cost of living in New York. As a result, the margin between United States and United Nations remuneration levels continued to decrease. CCAQ urged the Commission to address the issue of a real increase in the base/floor scale and in that context to analyse how best to adjust those grade levels at which there remained an increasingly negative margin.

120. The representative of the United Nations expressed support for an adjustment of 5.1 per cent in the base/floor salary scale, which would be effected through the use of the standard method of consolidating post adjustment points on a no-loss/no-gain basis. He noted that the expected increase for January 2001 for the comparator civil service was 4.2 per cent and that with that the margin would be close to 110. Consideration should therefore be given to recommending a real salary increase. The United Nations remained concerned about the non-existence of margins at the higher levels of the salary range.

Discussion by the Commission

121. The Commission noted that the comparator's General Schedule salary scale for Washington, D.C. had been increased as of 1 January 2000 by 4.94 per cent on a gross basis. That 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. The Commission noted the views of CCAQ and the United Nations to address the issue of a real increase in the base/floor scale. The Commission noted that the adjustment in the base/floor salary scale would be effected through the use of the standard method of consolidating post adjustment multiplier points on a no-loss/no-gain basis.

122. The Commission further 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 Commission secretariat that no adjustment was necessary at the current stage; as a consequence no change in the staff assessment rates would be required.

123. Adjustment of the base/floor salary scale on 1 March 2001 by 5.1 per cent, through the usual method, would have the following financial implications:

<i>United States dollars</i>	
(a) For duty stations with post adjustment that would otherwise fall below the level of the new base/floor	616 842
(b) In respect of mobility/hardship allowance	3 485 784
(c) In respect of the scale of separation payments	805 310
Total annual financial implications	4 907 476

The Commission took note of the request from CCAQ for ICSC to recommend a real salary increase on the basis of the margin.

Decision of the Commission

124. The Commission decided to recommend to the General Assembly that the current base/floor salary scale for the Professional and higher categories should be increased by 5.1 per cent through standard consolidation procedures, on a no-loss/no-gain basis, with effect from 1 March 2001. The proposed base/floor salary scale and associated staff assessment

scale are shown in annexes VI and VII to the present report.

C. Review of the rationale, scope, methodology and level of children's and secondary dependant's allowances

125. In the context of its biennial review of dependency allowances for the Professional and higher categories in 1998, the Commission considered that there was a need to examine their basic rationale and scope. The Commission decided to do so in 2000, when the review of the methodology for the determination of dependency allowances for the Professional and higher categories was next scheduled to take place.

126. For its consideration of the item, the Commission had before it documentation providing information on the background to the establishment of the children's allowance for the Professional and higher categories, its current operation and some recommendations thereon. Under the current methodology, allowances were determined on the basis of tax abatements and social security payments in the countries of the seven headquarters duty stations. The methodology, which was noted by the General Assembly in its resolution 47/216 of 23 December 1992, provided for a biennial review to ensure that all relevant changes in the tax and social legislation for the countries concerned were taken into account. Consequently, the Commission examined the details of the percentage change called for 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 January 1998 (the reference date of the previous review) and January 2000.

Views of the organizations

127. The Chairman of CCAQ concurred with the proposal to increase the children's and secondary dependant's allowances to reflect the 11.89 per cent increase in the value of the tax abatement and payments under the social legislation applicable at the seven headquarters duty stations. He also recalled that those allowances were considered to be a social benefit. CCAQ therefore also concurred fully with the proposal to reaffirm that the children's allowance should be maintained as a social benefit. Those allowances were an element of the current

remuneration package that should remain until the review of the pay and benefits package was concluded.

Views of the staff representatives

128. The President of CCISUA concurred with the proposal to maintain the children's and secondary dependant's allowance as a social benefit. She also supported the proposed increase in the level of those allowances.

Discussion by the Commission

129. The Commission reaffirmed the general concept of the children's allowance as a social benefit, noting that it had been recognized as such since the earliest days of the United Nations salary system. In addressing the relationship between the single and primary dependant rates of the base salary scale and the children's allowance, the Commission noted that the differentiation in the base salary scale between single staff and staff with a primary dependant was based on taxation differences between single staff and married taxpayers (with no children). The basis for the determination of the children's allowance, on the other hand, was the tax abatement and social security payments for children.

130. The Commission recalled that while the principle of basing children's allowances on the practice at seven headquarters duty stations was a long-standing one, the current methodology for implementing the principle had been adopted only after extensive consideration by the Commission of a number of other methods.

131. The Commission noted that the current methodology required that a great deal of data must be obtained and percentage relationships between current and recommended amounts recalculated every two years. That was a rather time-consuming process. However, it was recognized that allowances established in fixed monetary amounts were subject to purchasing-power erosion as the cost of living increased. Revisions were therefore required on a reasonably frequent basis.

132. It was suggested that it would be preferable to round the amounts of the children's and secondary dependant's allowances up or down to the nearest 100, the rationale being that expressing the proposed amounts to the nearest whole unit could create a perception that a high degree of precision was involved in the calculation of those allowances. No such precision was involved when it came to averaging tax

abatements and social security benefits over seven headquarters duty stations. At the next review of the methodology this suggestion would be considered.

Decisions of the Commission

133. The Commission 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.

134. The Commission decided to recommend to the General Assembly 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. Consequently, the revised annual amounts for duty stations in the United States and in countries where dependency allowances were fixed in United States dollars would be:

- | | |
|------------------------------------|----------|
| (i) Children's allowance | \$1,936 |
| (ii) Disabled children's allowance | \$3,872; |

(b) The secondary dependant's allowance should also be increased by 11.89 per cent, resulting in a revised annual amount of \$693 for duty stations in the United States and in countries where dependency allowances were fixed in United States dollars;

(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 to the present report);

(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;

(e) The revised dependency allowances listed in subparagraphs (a), (b) and (c) above should become effective as from 1 January 2001.

135. The financial implications of the Commission's recommendations in respect of the level of the

children's and secondary dependant's allowances were estimated at \$2,800,000.

D. Establishment of grade equivalencies between the United States federal civil service and the United Nations system

136. ICSC has reviewed on a regular five-year cycle grade equivalencies between officials in comparable positions in the United Nations system and the comparator United States federal civil service. The objective of these studies has been to establish and validate grade equivalencies, which were a key component of margin calculations. The Commission undertook in 2000, as part of the regular cycle, an updated grade equivalency study with the current comparator, the United States federal civil service. The most recent study had been carried out in 1995.

137. The current study included grade equivalencies for posts selected from the United States General Schedule and Senior Executive Service (SES) pay systems, the special rates programme of the General Schedule, the Department of Medicine Surgery of the Department of Veterans Affairs, the Commissioned Officer Corps and various independent and other special pay systems. In the context of the grade equivalency study, the Commission reviewed the results of the validation exercise organized with classification specialists of the United States federal civil service.

Views of the organizations

138. CCAQ noted the results of the grade equivalency study and the importance of the current study in establishing a sound basis for the correct measurement of the net remuneration margin. CCAQ drew the attention of the Commission to the need to examine and review the process of the current methodology, suggesting that consideration should be given to simplifying and streamlining administrative processes without jeopardizing its technical soundness and credibility. It expressed its appreciation to the ICSC secretariat and those in the organizations who had been involved in this huge and difficult task.

Views of the staff representatives

139. The President of CCISUA noted that there had been no change in grade equivalency comparisons

between jobs of the United Nations common system and the comparator since the previous study. However, she also noted that 9 of the 48 United States federal agencies contacted had not participated in the current study. In the view of CCISUA that cast doubt on the validity of the results. CCISUA referred to the increasing application of the rank-in-person approach in the United States federal civil service, in the light of which she considered that the time had come to revisit the matter. She was of the view that ICSC should include posts from the United States Foreign Service and the private sector for jobs of representation, coordination and liaison and information technology, as those jobs constituted a major portion of the work of the United Nations system and were largely missing from current comparisons.

Discussion by the Commission

140. The Commission recalled that, at its spring (April 2000) session, it had taken note of the progress report presented by the secretariat on the subject. It further recalled that it had been apprised of the sample being used and the approach taken, which had been based on a methodology approved in 1985.

141. The Commission noted that the current grade equivalency study had involved the selection of some 600 posts and that the results had been validated, as in the past, by the confirmation of a sample of positions by United States federal civil service job classification specialists. The Commission expressed satisfaction with the high validation rate of 92 per cent, which had enabled it to approve the results.

142. The Commission reviewed several specific issues related to the grade equivalencies and resultant remuneration comparisons, as discussed below.

Rank-in-person vs. rank-in-post approach

143. Noting the use on the United States side of a rank-in-person approach to certain jobs in certain pay systems, the Commission, after further discussion, observed that it was used only for some established occupations. For those occupations, remuneration was not based solely on the level of duties and responsibilities, but also on individual qualifications or difficulties in recruitment. The Commission concluded that in those instances it might indeed have been more difficult to establish systematic equivalencies on the basis of job descriptions alone, but it would not have

been correct to exclude those jobs since equivalent positions existed in the United Nations system. The Commission took note of the relationship between such posts and SES, which was also a rank-in-person system and which had been included in the comparison methodology since shortly after the establishment of SES in the early 1980s.

Representation, coordination and liaison and information technology specialists

144. It was pointed out that some highly populated occupations of the United Nations system, such as information technology specialists and technical cooperation jobs involving representation and liaison activities, were not well represented in the comparisons. Some members continued to believe that more meaningful matches for posts of technical cooperation would be found in non-diplomatic functions of the United States Foreign Service, such as the United States Agency for International Development. In the case of information technology specialists, the Commission noted that those posts were for the most part included under electronic data processing specialists; that was a somewhat outdated job title/description which did not fully capture the emerging information technology field. For that reason, some members considered that, to remain relevant, United Nations positions should be updated and possible comparisons with private sector positions envisaged, in view of the rapidly evolving field.

145. The Commission recalled that it had remarked at its previous session on the labour-intensive and time-consuming nature of the exercise. It requested the secretariat to employ more efficient means, without compromising technical rigour, at the time of the next grade equivalency study.

Incorporation of grade equivalency results in net remuneration margin calculations

146. The Commission reviewed the procedure for incorporating the equivalency study results in net remuneration margin comparisons, recalling its prior decisions in that regard. It noted that it had previously decided that anomalous positions should be excluded from the calculations. It further recalled that it considered positions representing less than 5 per cent of the positions graded at a particular common system grade to be anomalous and noted that, in the current

exercise, 10 such positions had been excluded for that reason.

147. In reviewing the results of the net remuneration margin calculation based on the incorporation of the current equivalency study results, the Commission addressed the continuing problem of the relatively high margin levels at lower common system grades and the relatively low margin at higher grades. While that was a continuing concern that was not directly related to the grade equivalency study, the Commission considered, as it had on other occasions, that a solution would need to be found to the persistent problem of redressing the imbalance. At a time when the comparator was again reviewing possible salary increases for its highest-level officials, the Commission considered that it might be appropriate to reflect upon how that increase should be reflected in relevant net remuneration margin calculations.

148. The Commission noted that the outcome of the current grade equivalency study in net remuneration margin calculations had resulted in a revised margin of 113.3 for the calendar year 2000, instead of 113.8 on the basis of existing grade equivalencies. It considered that, since the job classification systems of both the comparator and the common system had not substantially changed since the previous equivalency study, it would not be expected that the net remuneration margin would change significantly.

Decisions of the Commission

149. The Commission decided to report to the General Assembly that it had conducted, as part of its regular five-year reviews, a new grade equivalency study for 2000 with the comparator. In that context, it decided:

(a) To note the results of the validation exercise, which showed an agreement rate of 92 per cent;

(b) To endorse, for remuneration comparison purposes, the results of the 2000 grade equivalency exercise with the comparator civil service;

(c) To report a net remuneration margin of 113.3 for the calendar year 2000;

(d) To request its secretariat to review the current methodology and to explore more efficient means with a view to streamlining the process and reducing administrative costs without jeopardizing the

quality of the results in future grade equivalency studies.

E. Post adjustment matters

Preparations for the next round of cost-of-living surveys

150. The Commission, as part of its ongoing responsibilities under article 11 of its statute, 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 twenty-third session. In its 1999 annual report, the Commission had informed the General Assembly about decisions it had taken concerning preparations for the next full round of cost-of-living (place-to-place) surveys planned for 2000 at headquarters duty stations, Berne and Washington, D.C. It had also decided to place certain methodological issues requiring further study on the agenda of the twenty-third session of ACPAQ. Those studies included simplification of the cost-of-living index structure, updating of the list of items and specifications for the basket of goods and services, procedures to be followed in establishing expenditure weights, weights to be used with external housing data for housing component measurements, collection of housing data from the staff to establish housing weights and rental subsidy thresholds, and selection of outlets and proposed timetable for place-to-place surveys at headquarters duty stations. ACPAQ also discussed the treatment of dollar-driven expenditures for field duty stations.

Views of the organizations

151. The Secretary of CCAQ, in taking note of the report of ACPAQ, welcomed the initiatives that had been taken in the structuring of the work of ACPAQ and the way in which the conclusions and recommendations had been summarized in the report. A number of organizations had participated fully in the deliberations and were partners in the development of the recommendations which were before the Commission for consideration. CCAQ supported the recommendations of ACPAQ, especially with regard to the new index structure, the procedures for establishing expenditure weights and the maintenance of the methodology for United States dollar-driven expenditures for group II duty stations. CCAQ was

willing to support and collaborate with the ICSC secretariat in the next round of place-to-place surveys.

152. The representative of the United Nations also welcomed the introduction of the simplified post adjustment index structure and the revision made to the basket of goods and services. He supported the recommendation of ACPAQ to maintain the current method for treating durable goods as part of United States dollar-driven expenditures at field duty stations. The United Nations also supported the ACPAQ recommendations relating to procedures for establishing expenditure weights and took note of the timetable established for the 2000 round of place-to-place surveys at headquarters duty stations.

153. The representatives of the Food and Agriculture Organization of the United Nations (FAO) and the International Telecommunication Union (ITU) stated that the twenty-third session of ACPAQ had been very productive and expressed their support for the recommendations of ACPAQ.

154. The representative of IAEA expressed appreciation for the quality of the technical papers submitted to ACPAQ by the ICSC secretariat. He fully supported the ACPAQ recommendations and in particular the reduction of the number of elements in the post adjustment index through simplification of the index structure. In the past staff participation had been problematic and in that regard it was vital to provide clear information to staff well in advance of the survey. He looked forward to the ICSC secretariat providing the administrations with information materials about the survey for dissemination to the staff.

Discussion by the Commission

155. Members noted that the recommendations of ACPAQ on the methodology to be applied in the next round of place-to-place surveys included a number of significant improvements, notably the simplification of the post adjustment index structure, the reduction in the number of elements included for pricing and the introduction of external data for weighting purposes at the level of basic headings. Regarding the simplification of the index structure, it was observed that the new structure was more transparent and had achieved greater harmonization of the post adjustment system with similar classifications used for the calculation of consumer price indices (CPIs) and for international comparison of purchasing power parities

(PPP). The subdivisions of the new structure better facilitated analysis of price index data and provided increased possibilities to apply weights from external sources. In that connection the Commission recalled the earlier recommendation of ACPAQ that the new simplified structure should be carefully tested. The results of those tests had shown that the impact of the new structure in terms of the magnitude of the final post adjustment indices did not carry any systematic bias. Similar results were obtained when tests had been carried out involving the use of external expenditure weight data which had been facilitated by the changeover to the simplified index structure. The Commission therefore concluded that the new structure did not compromise the accuracy of the index and contained elements of continuity with the current index structure.

156. Members of the Commission expressed appreciation for the work carried out by ACPAQ in preparation for the next round of place-to-place surveys.

Decisions of the Commission

157. The Commission approved the recommendations of ACPAQ relating to simplification of the post adjustment index structure; the list of items and specifications; procedures for the establishment of expenditure weights; treatment of United States dollar-driven expenditures; treatment of housing data collected from staff; the procedures for price collection at headquarters duty stations; selection of outlets; and the timetable for the 2000 round of place-to-place surveys at headquarters duty stations, Berne and Washington, D.C.

Chapter V

Conditions of service of the General Service and other locally recruited categories

158. In 1997, the Commission reviewed the methodology for surveys of best prevailing conditions of employment at headquarters and non-headquarters duty stations and reported its findings to the General Assembly in its twenty-third annual report. The General Assembly, in section II, paragraph 2, of its resolution 52/216 of 22 December 1997, endorsed the conclusions of the Commission on refinements to the

methodology. The Assembly, in section II, paragraph 3 (a), of its resolution 51/216 of 18 December 1996, had requested the Commission, as part of its review of the methodology scheduled for 1997, to resolve, to the extent possible, inconsistencies between the General Service methodology and the one applied pursuant to the Noblemaire principle, inter alia, by examining the question of overlap in remuneration between the Professional and higher categories and the General Service and related categories. In its report on the revised General Service methodology, the Commission had provided its views on the matter.

A. Survey of best prevailing conditions of employment in Montreal

159. On the basis of the revised methodology, the Commission conducted a survey of best prevailing conditions of service for the General Service and other locally recruited categories of staff in Montreal with a reference date of November 1999. The salary scale for the General Service and other locally recruited categories of the organizations of the common system at Montreal, recommended by the Commission to the Secretary-General of the International Civil Aviation Organization (ICAO), is reproduced in annex IX to the present report. The Commission also recommended revised amounts of dependency allowances, determined on the basis of tax abatements provided by the Governments of Canada and Quebec.

160. One of the requirements of the revised methodology was that the public/non-profit sector, including the national civil service, should be represented by at least 25 per cent of the retained employers. In the Montreal survey, of the 20 employers whose data were used for the determination of the scale recommended by the Commission, 5, or 25 per cent, were from that sector. Three of the employers in the public sector were public service employers. A request was made to set aside data collected for one employer on the ground that it was not as good a comparator as the other employers. The Commission rejected the request, pointing out that the employer had been previously surveyed and was also on the main list of employers for the Montreal survey. Furthermore, since the methodology required the retention of 20 employers, exclusion of that employer would have resulted in a survey of only 19 employers.

161. As may be noted from the salary scale of ICAO staff shown in annex IX, the annual net salary at the highest point in the scale, GS-9/LSS (long service step), is Can\$ 47,599, or US\$ 32,602 at the April 2000 exchange rate of Can\$ 1.46 = US\$ 1.00. This amount falls between the net remuneration (net base salary plus post adjustment) of staff members at the P-1/II and P-1/III levels. The Commission considered that such overlap was not a cause for concern. Furthermore, it noted that there was only one incumbent at the GS-9 level, which was considered a personal grade, i.e., reserved for staff members who possessed, inter alia, institutional knowledge and had contributed to the work of the organization because of long experience in their particular occupation. The classification system recognized responsibilities only up to grade level GS-8, where no overlap existed.

162. The salary scale for ICAO staff shown in annex IX was for the staff on average 5.3 per cent higher than the current scales. The Commission noted that, following the 1994 survey, a new pay scale had been approved which was lower than that already in effect. As a result, ICAO had been operating with two pay scales, which would be superseded by the scale resulting from the November 1999 survey. 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. This estimate was calculated at the exchange rate as at 1 April 2000 of Can\$ 1.46 = US\$ 1.00.

B. Survey of best prevailing conditions of employment in New York

163. Under article 12, paragraph 1, of its statute, the Commission conducted surveys of best prevailing conditions of employment for staff in the General Service, Language Teachers, Public Information Assistant, Trades and Crafts and Security Service categories in New York. The reference date for the collection of data on salaries and other conditions of employment from the selected employers was 1 May 2000.

164. The surveys resulted in a 2.92 per cent increase for the General Service and Public Information Assistant categories and a 7.66 per cent increase for the Security Service category. Regarding the General Service category, the Commission decided, as an

exceptional measure, that it would include eight employers in the financial and business sector owing to the high rate of employer non-participation. With regard to the Trades and Crafts category, the Commission noted that, at the time of its session, only 4 comparator employers had provided usable data, as compared to 11 in the 1995 survey. The Commission 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. The Commission also delegated the authority to approve the survey results to its Chairman. Regarding the Language Teachers category, the Commission 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. The Commission therefore requested further details on the points of comparison for those employers already surveyed. Furthermore, the Commission suggested that some other comparators whose employees performed functions comparable to those of the United Nations language teachers should be included in the survey. The Commission requested the United Nations Administration to continue the data collection and to present the information together with the survey results to the Commission at its next session.

165. The salary scales recommended for the three approved surveys in New York, namely, for the General Service, Security Service and Public Information Assistant categories, are reproduced in annex X to the present report. The annual financial implications of the recommendations of the Commission 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. As may be noted from table A in annex X, the annual net salary at the highest point in the General Service scale, GS-7/step XI, is \$56,121. This amount falls between the net remuneration (net base salary plus post adjustment) of P-2/step III and P-2/step IV staff members. Such overlap is not a cause for concern.

C. Review of the headquarters salary survey methodology: decisions of the International Labour Organization Administrative Tribunal regarding the phasing out of the language factor at Rome and Vienna

166. The Commission at its thirty-sixth session (1992) reviewed the methodology for conducting surveys of best prevailing conditions of employment at headquarters duty stations. In that context it decided to discontinue inclusion of the language factor at the time of the next survey at duty stations where the local language was not one of the working languages of the organizations. The Commission further decided that, should the decision lead to a salary freeze, it would consider a phased approach to the elimination of the element.² The General Assembly, in its resolution 47/216, section III, paragraph 2, took note of the changes that the Commission had proposed in the methodology. The revised methodology was applied to the November 1994 survey of General Service salaries in Rome and the April 1996 survey in Vienna. As a result, the Commission decided that the 4 per cent language factor previously applied to those duty stations should be phased out at an annual rate of 1 per cent.

167. Four FAO staff members had thereupon challenged various aspects of the 1994 survey in the ILO Administrative Tribunal, including the phasing out of the language factor. The Director-General of FAO defended his organization's implementation of the salary scale established by the Commission on the grounds that, although FAO disagreed with the Commission's decision on all matters under challenge, it considered that the Commission had acted legally within the scope of its authority and that FAO, as a participant in the common system, was required to comply with those decisions.

168. At its forty-eighth session (summer 1998) the Commission was apprised of ILO Administrative Tribunal Judgement 1713 of 29 January 1998 in the case *In re Caretta, Cherubini, Eldon and Pace* [versus FAO], in which the Tribunal had set aside the implementation by FAO of the decision taken by the Commission at its forty-first session (May 1995) to approve the 1994 General Service salary survey in Rome, insofar as that decision reduced the language factor. At the same session the Commission also

decided to await the judgement of the Tribunal on a similar appeal lodged by Vienna staff and to defer the review of the methodology regarding the language factor to a later date.

169. In its Judgement 1915 of 2 February 2000, *in re Abdur, Drechsler and Zeller* [versus IAEA], the ILO Administrative Tribunal recalled, in its examination of the case which had led to Judgement 1713, that it had addressed the issue of the abolition of the language factor granted to General Service staff working in cities in which the national language was not one of the working languages of the organization. It had indicated in that judgement that:

“the manner of applying Flemming does not turn on such variables as the desire of staff to keep their jobs or the ease or difficulty of finding good local recruits. What Flemming ordains is that General Service staff shall have pay and other terms of employment that match the best on offer at their duty station ... It is right to adjust pay by a language factor when jobs that do not require proficiency in a second language are matched with jobs that do. But it is wrong so to adjust pay when the matching is with outside posts that require proficiency in a second language and that requirement is not compensated.”

170. Turning to the specifics of the Vienna survey, the Tribunal noted that in the 1996 Vienna survey (unlike the Rome survey), information gathered from 22 employers showed that, although the majority of the local employers surveyed required staff to have knowledge of and work in a language other than the national language, no additional compensation was paid. The Tribunal agreed with the Commission that, as 21 of the 22 surveyed employers required the use of another language, those employers constituted a valid basis for comparison with common system organizations on the question of the use by Vienna staff of a language other than German. The Tribunal also concluded that the questionnaire used in the survey was clear and covered specifically the issue of whether a premium was paid to staff for the use of additional languages.

171. The Tribunal was of the opinion that the information gathered by the survey teams, irrespective of the identified imperfections, which were inherent in any survey of that nature, provided a basis for determining the knowledge of and extent to which a

language other than the national language was used, and also whether additional pay for the use of such a language could be justified. The Tribunal stressed that in such a survey a perfect match, which was not necessary to reach sound conclusions, could not be made.

172. The Tribunal concluded that the 1996 Vienna survey had been conducted properly and that it had provided a basis for determining that even though the majority of local reference employers required their staff to have knowledge of and work in a language other than the local language, they paid no additional compensation for that requirement. Subsequently, the ILO Administrative Tribunal dismissed all complaints.

173. In the light of Judgement 1915, the Commission considered the following proposals by its secretariat: (a) at the time of the next survey in Vienna and Rome, employers should be carefully surveyed to find out what, if any, bonus or other payment was made to staff members required to work in a working language of the organization; and (b) the results of that determination should be appropriately reflected in the pay scales established by the survey.

Views of the organizations

174. The representative of IAEA noted that the survey in Vienna had been carried out in a manner that fully respected the Flemming principle. The survey provided a basis for determining that, even though the outside employers required their staff to have knowledge of and work in a language other than the local language, they paid no additional compensation for that requirement. He supported the proposal of the ICSC secretariat.

175. The FAO representative noted that this was a sensitive issue, involving a special competence factor which should be taken into account. In that regard the Judgement in the Rome case was slightly different from the one in Vienna. In any event, during the pre-survey consultations with the ICSC secretariat, the issue of the language factor had been discussed and it had been agreed that the questionnaire to be used in the November 2000 survey would clearly cover the issue of whether premiums were paid to staff of outside employers for the use of additional languages. Once that information was collected the Commission should be able to make an informed decision. The FAO

administration wanted to avoid a situation where staff would challenge the survey.

176. The United Nations representative noted that the survey had been properly carried out in Vienna. Employers had been carefully surveyed and there was no indication that a bonus or any specific payment was made to comparator employees required to work in a language other than the local language. The United Nations concluded that the 1996 General Service salary survey conducted in Vienna had been carried out in a manner that fully respected the Flemming principle.

Views of the staff representatives

177. The representative of the Union of General Service staff of FAO and the World Food Programme (WFP) expressed her appreciation for the opportunity to convey the views of the staff on the issue of the language factor. She noted that preparations were under way for a salary survey to be undertaken in Rome, later in the year, using a methodology that did not provide for any adjustment when United Nations common system jobs that required the use of a foreign language to the duty station were matched with external jobs that did not.

178. The representative noted that the ILO Administrative Tribunal in its Judgement 1713 had ruled that the reasoning leading to the elimination of the language factor in the current methodology was irrelevant and that the language factor was no longer necessary and was invalid. She considered it necessary to amend the relevant part of the methodology to permit a proper application of the Flemming principle.

179. The headquarters survey methodology aimed to capture the conditions of employment of the duty station by matching internal job functions with those of the best comparator employers in the local labour market. It was of the utmost importance, therefore, that the job matches were valid and that all essential elements of the jobs were taken into consideration when making the match. Proficiency in one of the languages of the organizations was an essential requirement for recruitment by the United Nations. Consequently, in making job matches, it could not be ignored.

180. Rome and Vienna duty stations posed a particular problem, as an essential element of any job in the United Nations common system organizations at those duty stations was the ability to work fluently and

continuously in a language foreign to the duty station. This was not normally an essential requirement for recruitment by the comparator firms for the jobs used in the job matching exercise. If the essential language requirement of the United Nations job were to be taken into consideration when making job matches, it would be impossible to conduct the survey at those duty stations because there would not be the minimum number of comparator firms and job matches required by the methodology. If the job matches that ignored the essential language requirement were made, the question of the validity of the match would arise.

181. In the past that difficulty had been resolved by each party accepting job matches that ignored the essential language requirement of the United Nations jobs and compensated for this element through the application of the language factor. The situation in Rome had not changed. The language adjustment factor was still required and its reinstatement was necessary to strengthen both the technical reliability of the methodology and its adherence to the Flemming principle. The representative requested that the part of the current methodology related to the reduction of the language factor be changed to its pre-1992 text.

182. The representative of the IAEA Staff Association noted that in Judgement 1713 pertaining to the Rome salary survey the ILO Administrative Tribunal had rejected the reasoning used for the justification of the abolition of the language factor. And despite an unfavourable judgement delivered by the ILO Administrative Tribunal for General Service staff at Vienna, the staff association maintained that the 1996 survey had been carried out in a manner which was in clear conflict with the Flemming principle. Since the United Nations Administrative Tribunal had not delivered its judgement pertaining to United Nations staff at Vienna, the case could not be considered closed for Vienna.

183. He noted that no attempt had been made during the 1996 survey to compare posts with equal linguistic qualification requirements. During the 1991 Vienna survey, every effort had been made on a job-by-job basis to identify employers where the incumbents of surveyed posts were required to perform duties outlined in the benchmark job description in a language other than German. In the view of the staff, it was inconceivable that only five years later, at the time of the 1996 Vienna survey, without determining as in 1991 on a job-by-job basis whether or not the language

requirements of the surveyed employers were similar to the Vienna-based organizations, it could be assumed that all surveyed employers had language requirements similar to the Vienna-based organizations.

184. General Service staff at Vienna did not insist on the granting of the language factor. However, they had a right to insist on the fair application of the Flemming principle by the Commission. To that end, there were only two options available in the case of Rome and Vienna: to compare jobs with similar language requirements and thus eliminate the language factor or, when the language requirements for the jobs compared were different, to compensate by granting a language factor.

Discussion by the Commission

185. The Commission recalled its 1992 decision to phase out the language factor at the two headquarters duty stations of Vienna and Rome, where the local languages were not working languages of the organizations. The rationale for that decision was that the knowledge of one of the working languages of the organizations was considered an essential, not an additional, qualification. The Commission emphasized that a basic requirement for any job within an organization was oral and written fluency in at least one of its working languages, and that such knowledge was not to be misconstrued as an additional qualification requiring a separate payment.

186. The Commission also recalled that at the time of the 1994 Rome and the 1996 Vienna surveys, it had pointed out that the payment of a language factor was not necessary for the recruitment or retention of linguistically qualified staff. The Commission noted that the Tribunal in its judgements had concluded that this argument was irrelevant. According to the Tribunal, the manner of applying the Flemming principle did not turn on such variables as the desire of staff to keep their jobs, or the ease or difficulty of finding good local recruits. What the Flemming principle envisaged was that General Service staff should have pay and other terms of employment that matched "the best on offer at the local duty station". The Commission noted that the Tribunal had stated that it was correct to adjust pay by a language factor when jobs that did not require proficiency in a second language were matched with jobs that did. But it was wrong to adjust pay when the matching was with

outside posts that required proficiency in a second language and that requirement was not compensated.

187. The Commission noted that the Tribunal's judgements were not contradictory and were in fact rather consistent. The main difference between the two surveys was that at the time of the Vienna survey, outside employers had been asked whether they paid a bonus to their staff who were required to work in a language other than the local language; during the Rome survey this question had not been asked. In Vienna, employees outside the common system were required to work in a language other than German, but did not receive additional compensation for it. Therefore, the Tribunal concluded that in the case of Vienna the Flemming principle was correctly applied. All relevant local conditions were taken into account. Regarding the Rome survey the Commission noted that the Tribunal had found that since information had not been methodically collected on the general payment of language bonuses, it would have been "reasonable" to retain a small adjustment (such as the language factor) to account for that fact.

188. The Commission recalled that during the Rome and Vienna surveys it had matched comparable jobs. The focus of the job matching had been on duties and responsibilities, not on languages. However, in the light of the two judgements, the Commission considered that at the time of future surveys at those duty stations not only should duties and responsibilities be matched, but also, for each job, the question should be posed whether the outside employees were required to work in a working language of the organizations and, if so, whether any payments were made to compensate for that. If any payments were made, they should be appropriately reflected in the pay scale established by the survey.

189. The Commission noted that the Rome Staff Association was concerned that the majority of employers required their staff to work in Italian only and therefore matching jobs with these employers was not comparing like with like. The Commission also noted that, according to the staff representatives, the matches of those employers would be acceptable only if there were some sort of compensation for the difference. Some members of the Commission suggested that it was perhaps time to change the comparator employers, as the same employers had been used for a long period of time. It was suggested that multinational companies who required their staff to be

bilingual should be included in the list of employers to be surveyed. If such employers were included in the survey there would be no problem with the job matching. However, at the same time the Commission realized that those employers might not necessarily be the best in the locality.

190. The Commission also recalled that the most recent survey in Rome had been carried out in 1994 and that it was possible that the situation had changed in the interim. Currently the outside employers might require their staff to use a language other than Italian. Until data on the requirement of outside employers were collected, it would be premature to discuss what action would be required of the Commission in the event that the majority of employers still required their staff to work in the local language only. Therefore, the Commission did not deem it necessary at the current stage to change the latest version of the relevant part of the revised general methodology for headquarters duty stations.

191. The Commission suggested that its secretariat, together with the representatives of administration and staff of the Rome-based organizations, should collect data on the use of a language other than Italian by the employees of the outside employers and present to the Commission at its next session in 2001 all relevant information.

Decision of the Commission

192. The Commission decided that:

(a) At the time of the next survey at headquarters duty stations where the local language was not a working language of the organization, employers should be carefully surveyed to find out what, if any, bonus or other payments were made to staff members required to work in a working language of the organization;

(b) The results of that determination should be appropriately reflected in the pay scales established by the survey.

Notes

¹ See *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 30 (A/54/30)*.

² See *ibid.*, *Forty-seventh Session, Supplement No. 30 (A/47/30)*, paras. 227 and 231 (x1).

Annex I

Programme of work for 2001

Fifty-third/fifty-fourth joint session

1. Framework for human resources management:
 - (a) Standards of conduct for the international civil service;
 - (b) Review of the pay and benefits system: report of the Steering Committee;
 - (c) Contractual arrangements.
2. Conditions of service of the General Service and other locally recruited staff: survey of best prevailing conditions of employment at:
 - Rome;
 - Geneva;
 - New York (Language Teachers).
3. Conditions of service of the Professional and higher categories:
 - (a) Base/floor salary scale;
 - (b) Evolution of the United Nations/United States net remuneration margin;
 - (c) Report of the twenty-fourth session of the Advisory Committee on Post Adjustment Questions.

Annex II

Framework for Human Resources Management

Contents

	<i>Paragraphs</i>	<i>Page</i>
I. Purpose	1–4	34
II. Elements of an integrated framework	5–47	34
A. Organizational design	5–8	34
1. Job design	7	34
2. Human resources planning	8	35
B. Compensation and benefits	9–11	35
C. Employment policy	12–21	36
1. Recruitment, placement and retention	13–15	36
2. Contractual arrangements	16–18	36
3. Staff well-being	19–21	37
D. Career management	22–31	37
1. Career management, staff development and training	22–25	37
2. Mobility	26–28	38
3. Performance management	29–31	39
E. Good governance	32–41	40
1. Management style	33–35	40
2. Role of staff representatives	36–38	41
3. Administration of justice	39–41	41
F. Human resources information management	42–44	41
G. Ethics/Standards of conduct	45–47	42
Glossary		43

Annex III

Review of the pay and benefits system

Background

1. In its resolutions 51/216 of 18 December 1996, 52/216 of 22 December 1997 and 53/209 of 18 December 1998, the General Assembly requested the International Civil Service Commission to play a lead role in the development of innovative approaches in the field of human resources management. In response, the Commission developed an integrated human resources framework that identified not only the major elements, but also the linkages among them together with a set of guiding principles. One element of the framework, the compensation and benefits system, was singled out as requiring the highest priority consideration by the Commission.

2. At its fifty-first and fifty-second sessions (April and July/August 2000), on the basis of documents prepared by the secretariat (ICSC/51/R.10 and ICSC/52/R.12), the Commission analysed some of the main problems besetting the common system and discussed how they might be solved. Other initiatives included a briefing in June 2000 organized by the Consultative Committee on Administrative Questions on competency-based pay and the International Civil Service Commission Forum on Human Resources Management held in July 2000, which concentrated on the broad-banding approach to pay and the possible development of a senior executive service for the common system. In the light of the above, the Commission decided at its fifty-second (July/August 2000) session to proceed with the review of the pay and benefits system and to establish mechanisms to allow for the broadest possible participation and discussion on the part of the organizations and the staff.

3. Examination of alternatives to the existing pay and benefits system would be based on a holistic approach, underpinned by the Noblemaire and other relevant principles set out in the Framework for Human Resources Management. In line with those principles, a revised pay and benefits system would:

(a) Reward staff in a competitive and equitable manner, based on merit, skills, competence and responsibility;

(b) Be designed to motivate and encourage staff to develop skills and competencies and provide opportunities for career advancement;

(c) Be flexible, transparent and administratively simple;

(d) Meet organizations' needs.

4. The review would be expected to result in a set of options, leading to a streamlined and competitive pay and benefits system for consideration by the Commission (see also the main body of the report, paras. 32-47).

Modalities

Steering Committee

5. Coordinated and chaired by the Chairman of the International Civil Service Commission, the Steering Committee would also comprise the ICSC Vice-Chairman, the Executive Secretary of the Commission, the Chairman/Bureau and the Secretary of the Consultative Committee on Administrative Questions. Its role would be:

(a) To direct, over a two-year period, all future work on the review of the pay and benefits system;

(b) To make recommendations to the International Civil Service Commission.

Overall mandate of the Steering Committee

6. The overall mandate of the Steering Committee would be:

(a) To coordinate and integrate the work of three open-ended focus groups (see below) established at the main headquarters duty stations on specific topics, taking into account that there could be some overlap between them in the issues addressed, for example, competencies;

(b) To establish any other participation or mechanisms as needed to ensure, inter alia, that all reasons for and obstacles to change are identified;

(c) To present recommendations, based on the work of the focus groups and other eventual

mechanisms, to the Commission on a package of reform measures that would also accommodate the diversity among organizations;

(d) To ensure that any revised pay and benefits system is flexible and transparent and that it supports the management of each organization.

Role of the focus groups

7. The role of the focus groups would be:

(a) To analyse in a proactive, future-oriented way specific topics, including related issues and obstacles, bearing in mind the external factors affecting the United Nations system today, by, inter alia, calling upon outside expertise on specific/technical matters when necessary;

(b) To take into consideration the experience of other public organizations and the private sector;

(c) To take into account any cost implications of suggested changes and to examine various methods to ensure that the revised pay system has financial controls that permit it to operate within budgetary limits;

(d) To propose options for consideration by the Steering Committee.

Composition of open-ended focus groups

8. The open-ended focus groups would 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;

(e) Members of the secretariats of the International Civil Service Commission and the Consultative Committee on Administrative Questions.

Broad mandates of the focus groups

9. The following outline sets out the broad mandates of the focus groups.

(i) The nature of work (Vienna)

Objective

10. *To examine alternatives for a simplified pay system that is flexible, responds to the needs of organizations and, in particular, those of managers, ensures competitiveness in the common system and better reflects the work currently performed by staff in the different organizations of the common system.*

Principal tasks

(a) To analyse and define the changing nature of work in today's organizations, that is: what the work is, how it is carried out and how the pay system reflects that work;

(b) To review and simplify the current job classification system in terms of the categorization of work with a view to moving towards generic job profiles, broader occupational groups, facilitating and improving recruitment methods;

(c) To examine the concept of categories, grades and steps with a view to their retention/revision. In this context, to assess broad-banding approaches and performance in its broadest sense;

(d) To bear in mind the related issue of contractual arrangements, which require flexibility to respond to organizations' needs, and as it relates to the changing nature of work and to compensation and benefits policy.

(ii) Rewarding contribution (Geneva)

Objective

11. *To provide suggestions as to how to link the pay system to organizations' performance management systems and to better recognize performance, contribution and/or competencies in a multicultural environment.*

Principal tasks

(a) To define mechanisms to differentiate individual pay according to performance, contribution or competencies that are transparent and agreed by managers and staff;

(b) To discuss measurable and objective criteria based on skills, competencies and individual or team

contribution to assess and compensate performance, taking into account the work already done by the Commission and currently under way on competencies across the system;

(c) To take into consideration the concepts of staff development and career growth.

(iii) Management capacity (New York)

Objective

12. *To create a system that strengthens the management capacity of the organizations and enable organizations to attract and retain managers of high calibre.*

Principal tasks

(a) To specify what is expected from managers in the light of organizations' changing needs and the changing nature of work;

(b) To examine the range of possible tools and systems, including those in use in national civil services and other institutions, in order:

(i) To strengthen managerial capacity and promote leadership;

(ii) To facilitate the transfer of skills (enabling managers to work across the organizations, thereby reinforcing core values and a common culture);

(iii) To better reward managers in view of their key role in driving organizational change;

(c) To study the possible establishment of a senior management service in the United Nations system.

Agenda and time frame

13. The agenda and time frame for the review would be as follows:

(a) Focus groups start meeting, insofar as possible, in October/November 2000;

(b) Focus groups report to Steering Committee, which meets early in 2001;

(c) Steering Committee reports to the International Civil Service Commission in June 2001;

(d) The International Civil Service Commission establishes next steps/agenda based on Steering Committee report.

Communication

14. Communication would be facilitated by:

- Videoconferencing;
- Dedicated web site.

Annex IV

Proposed maximum admissible expenditures, education grant levels and proposed ceilings for boarding costs

Table 1
Proposed maximum admissible expenditures and education grant levels

<i>Currency</i>	<i>Maximum admissible expenditures</i>	<i>Maximum education grant</i>
Belgian franc	520 290	390 218
Irish pound	7 873	5 905
Italian lira	23 794 700	17 846 025
Swiss franc	24 372	18 279
United States dollar (in the United States)	23 445	17 584

Table 2
Proposed ceilings for boarding costs

<i>Currency</i>	<i>Normal flat rate for boarding</i>	<i>Additional flat rate for boarding (at designated duty stations)</i>
Austrian schilling	43 622	65 433
Belgian franc	118 156	177 234
Danish krone	21 993	32 990
Deutsche mark	7 026	10 539
Finnish markka	13 251	19 877
French franc	16 402	24 603
Irish pound	1 893	2 840
Italian lira	4 953 749	7 430 624
Japanese yen	525 930	788 895
Netherlands guilder	6 985	10 478
Norwegian krone	17 499	26 249
Pound sterling	3 041	4 562
Spanish peseta	408 592	612 888
Swedish krona	20 945	31 418
Swiss franc	5 092	7 638
United States dollar (in the United States)	4 583	6 875
United States dollar (other than United States)	3 373	5 060

Annex V

Comparison of average net remuneration of United Nations officials from the Professional and higher categories in New York and United States officials in Washington, D.C., by equivalent grades

(Margin for calendar year 2000)

Grade	Net remuneration (United States dollars)		United Nations/ United States ratio (United States, Washington, D.C. = 100)	United Nations/ United States ratio adjusted for cost-of- living differential	Weights for calculation of overall ratio ^c
	United Nations ^{a b}	United States			
D-2	125 929	103 997	121.1	105.5	3.5
D-1	117 726	97 088	121.3	105.6	9.4
P-5	108 150	85 399	126.6	110.3	26.9
P-4	93 832	71 832	130.6	113.8	31.4
P-3	78 951	57 984	136.2	118.6	21.9
P-2	64 940	47 183	137.6	119.9	6.6
P-1	49 412	35 967	137.4	119.7	0.3
Weighted average ratio before adjustment for New York/Washington, D.C., cost-of-living differential					130.0
New York/Washington, D.C., cost-of-living ratio					114.8
Weighted average ratio, adjusted for cost-of-living difference					113.3

^a Average United Nations salary at dependency level by grade reflecting two months at multiplier 48.1 (on the basis of the salary scale effective through 29 February 2000), eight months at multiplier 43.2 and two months at multiplier 47.4 (on the basis of the salary scale in effect from 1 March 2000).

^b For the calculation of the average United Nations salaries, CCAQ Personnel Statistics as of 31 December 1998 were used. Statistics as at 31 December 1996 were used for 1999 calculations.

^c These weights correspond to the United Nations common system staff in grades P-1 to D-2, inclusive, serving at headquarters and established offices as at 31 December 1999.

Annex VI

Salary scale for the Professional and higher categories, showing annual gross salaries and net equivalents after application of staff assessment*

(United States dollars)

(Effective 1 March 2001)

Level	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV
USG gross	167 035														
Net D	113 762														
Net S	102 379														
ASG gross	151 840														
Net D	104 341														
Net S	94 484														
D-2 gross	124 384	127 132	129 877	132 623	135 369	138 115									
Net D	87 318	89 022	90 724	92 426	94 129	95 831									
Net S	80 218	81 645	83 072	84 498	85 925	87 352									
D-1 gross	109 894	112 245	114 598	116 944	119 297	121 648	124 002	126 352	128 702						
Net D	78 334	79 792	81 251	82 705	84 164	85 622	87 081	88 538	89 995						
Net S	72 407	73 687	74 967	76 245	77 525	78 796	80 018	81 240	82 460						
P-5 gross	96 705	98 832	100 961	103 089	105 216	107 342	109 471	111 598	113 724	115 853	117 982	120 106	122 234		
Net D	70 157	71 476	72 796	74 115	75 434	76 752	78 072	79 391	80 709	82 029	83 349	84 666	85 985		
Net S	65 176	66 385	67 545	68 703	69 862	71 018	72 177	73 335	74 493	75 651	76 809	77 966	79 101		
P-4 gross	79 780	81 733	83 680	85 627	87 579	89 527	91 571	93 645	95 723	97 795	99 869	101 947	104 019	106 095	108 171
Net D	59 255	60 544	61 829	63 114	64 402	65 688	66 974	68 260	69 548	70 833	72 119	73 407	74 692	75 979	77 266
Net S	55 180	56 364	57 543	58 722	59 902	61 080	62 259	63 439	64 617	65 796	66 949	68 082	69 210	70 340	71 470
P-3 gross	65 388	67 220	69 053	70 880	72 714	74 544	76 373	78 206	80 038	81 868	83 700	85 529	87 361	89 191	91 089
Net D	49 756	50 965	52 175	53 381	54 591	55 799	57 006	58 216	59 425	60 633	61 842	63 049	64 258	65 466	66 675
Net S	46 445	47 556	48 669	49 780	50 892	52 002	53 113	54 225	55 335	56 447	57 555	58 663	59 770	60 877	61 985
P-2 gross	53 129	54 632	56 132	57 633	59 135	60 692	62 332	63 967	65 606	67 244	68 879	70 520			
Net D	41 253	42 335	43 415	44 496	45 577	46 657	47 739	48 818	49 900	50 981	52 060	53 143			
Net S	38 694	39 675	40 653	41 633	42 611	43 592	44 587	45 580	46 577	47 571	48 564	49 561			
P-1 gross	41 189	42 633	44 075	45 519	46 960	48 403	49 847	51 290	52 731	54 174					
Net D	32 656	33 696	34 734	35 774	36 811	37 850	38 890	39 929	40 966	42 005					
Net S	30 805	31 763	32 720	33 677	34 633	35 590	36 548	37 493	38 434	39 375					

D = Rate applicable to staff members with a dependent spouse or child.

S = Rate applicable to staff members with no dependent spouse or child.

* This scale will be implemented in conjunction with a consolidation of 5.1 per cent of post adjustment. There will be consequential adjustments in post adjustment indices and multipliers at all duty stations effective 1 March 2001. Thereafter, changes in post adjustment classifications will be implemented on the basis of the movement of the consolidated post adjustment indices.

Annex VII

Staff assessment rates for the Professional and higher categories, for use in conjunction with gross base salaries

Effective 1 March 2001

A. Staff assessment rates for those with dependants

<i>Assessable income (United States dollars)</i>	<i>Staff assessment rates for staff members with a dependent spouse or a dependent child (percentage)</i>
First 30 000	18
Next 30 000	28
Next 30 000	34
Remaining assessable payments	38

B. Staff assessment rates for those without dependants

Staff assessment amounts for those with neither a dependent spouse nor a dependent child would be equal to the differences between the gross salaries at different grades and steps and the corresponding net salaries at the single rate.

Annex VIII

Recommended amounts of children's and secondary dependant's allowances for Professional and higher categories, for implementation as from 1 January 2001

<i>Country</i>	<i>Currency</i>	<i>Children's allowance</i>	<i>Secondary dependant's allowance</i>
Austria	Schilling	31 615	11 679
Belgium	Belgian franc	78 534	25 117
Denmark	Danish krone	14 762	4 267
France	French franc	11 346	3 765
French Guyana	French franc	11 346	3 765
Germany	Deutsche mark	4 539	1 628
Ireland	Irish pound	1 281	420
Japan	Yen	446 106	202 661
Luxembourg	Luxembourg franc	78 534	25 117
Monaco	French franc	11 346	3 765
Netherlands	Guilder	5 004	1 704
Switzerland	Swiss franc	3 764	1 677
United States and the rest of the world	United States dollar	1 936	693

Annex IX

Recommended net salary scale for the General Service and related categories at Montreal

Survey reference month: November 1999

(Canadian dollars)

	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>LSS</i>
G-9	32 499	34 009	35 519	37 029	38 539	40 049	41 559	43 069	44 579	46 089	47 599
G-8	29 754	31 137	32 520	33 903	35 286	36 669	38 052	39 435	40 818	42 201	43 584
G-7	27 240	28 506	29 772	31 038	32 304	33 570	34 836	36 102	37 368	38 634	39 900
G-6	24 939	26 098	27 257	28 416	29 575	30 734	31 893	33 052	34 211	35 370	36 529
G-5	22 832	23 893	24 954	26 015	27 076	28 137	29 198	30 259	31 320	32 381	33 442
G-4	20 903	21 875	22 847	23 819	24 791	25 763	26 735	27 707	28 679	29 651	30 623
G-3	19 138	20 027	20 916	21 805	22 694	23 583	24 472	25 361	26 250	27 139	28 028
G-2	17 521	18 335	19 149	19 963	20 777	21 591	22 405	23 219	24 033	24 847	25 661
G-1	16 041	16 786	17 531	18 276	19 021	19 766	20 511	21 256	22 001	22 746	23 491

Annex X**A. Recommended net salary scale for staff in the General Service category in New York****Survey reference month: May 2000**

(United States dollars)

	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>
G-7	40 641	42 189	43 737	45 285	46 833	48 381	49 929	51 477	53 025	54 573	56 121
G-6	36 785	38 183	39 581	40 979	42 377	43 775	45 173	46 571	47 969	49 367	50 765
G-5	33 281	34 546	35 811	37 076	38 341	39 606	40 871	42 136	43 401	44 666	45 931
G-4	30 127	31 272	32 417	33 562	34 707	35 852	36 997	38 142	39 287	40 432	41 577
G-3	27 252	28 290	29 328	30 366	31 404	32 442	33 480	34 518	35 556	36 594	37 632
G-2	24 668	25 608	26 548	27 488	28 428	29 368	30 308	31 248	32 188	33 128	
G-1	22 331	23 180	24 029	24 878	25 727	26 576	27 425	28 274	29 123		

B. Recommended net salary scale for staff in the Security Service category in New York**Survey reference month: May 2000**

(United States dollars)

	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>	<i>10</i>	<i>11</i>	<i>12</i>	<i>13</i>
S-7	51 603	53 461	55 319	57 177	59 035	60 893	62 751	64 609	66 467				
S-6	48 074	49 805	51 536	53 267	54 998	56 729	58 460	60 191	61 922				
S-5	44 532	46 140	47 748	49 356	50 964	52 572	54 180	55 788	57 396				
S-4	40 936	42 410	43 884	45 358	46 832	48 306	49 780	51 254	52 728				
S-3	38 446	39 603	40 760	41 917	43 074	44 231	45 388	46 545	47 702	48 859	50 016		
S-2	34 840	35 885	36 930	37 975	39 020	40 065	41 110	42 155	43 200	44 245	45 290	46 335	47 380
S-1	31 224	32 161											

C. Recommended net salary scale for the Public Information Assistant and Tour Coordinator/Supervisor category in New York

Survey reference month: May 2000

(United States dollars)

	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>
Tour coordinator/ Supervisor and Briefing Assistant	36 038	37 737	39 436	41 135	42 834
Public Information Assistant II and Tour Coordinator	31 931	33 241	34 551	35 861	37 171
Public Information Assistant I	29 427	30 624			

00-63729 (E) 101000

~~~~~