

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

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**REPORT OF THE EIGHTY-FIFTH SESSION
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ADMINISTRATIVE QUESTIONS
(PERSONNEL AND GENERAL ADMINISTRATIVE QUESTIONS)**

INTRODUCTION

1. The Consultative Committee on Administrative Questions (Personnel and General Administrative Questions) held its eighty-fifth session at United Nations Headquarters in New York on 22-26 July 1996. Members of the Committee also attended the forty-fourth session of the International Civil Service Commission (ICSC), which took place from 31 July to 13 August 1996. (The Committee's eighty-fourth session was a consultative one held in April 1996 at the same time as the forty-third session of ICSC; thus, no additional costs were involved for organizations' representatives. The conclusions reached at the consultative session are contained in annex III).
2. The session was attended by representatives of member organizations, the ICSC secretariat, the UNJSPB secretariat, the Federation of International Civil Servants' Association (FICSA) and the Federation of Associations of Former International Civil Servants (FAFICS). The list of participants is attached in annex I.
3. Mr. J.-P. Baré (ITU) presided over the meetings.
4. The agenda as adopted by the Committee is contained in annex II.

I. MATTERS FOR CONSIDERATION BY ACC

(a) Remuneration of the Professional and higher categories

5. Following up ACC's previous statements to ICSC and the General Assembly on the urgent need to restore competitive conditions of service, CCAQ(PER) made a number of proposals to the International Civil Service Commission at its forty-fourth session in July 1996 (see paras. 24 and 25). In summary, the proposals were to:
 - restore the margin to the mid-point of the margin range (115) in 1997;
 - restructure the salary scale inter alia to reduce the compression at the higher levels;
 - make whatever further adjustments were necessary to bring the base/floor to the appropriate level by consolidation of post adjustment on the usual no-gain no-loss basis.

6. To reach these goals, CCAQ went on to propose:
- a real salary increase of at least 3.1 per cent at each grade and step;
 - restructuring the salary scale along the lines already put forward by ICSC in 1995;
 - the consolidation of 2.5 percentage points of post adjustment into the base/floor scale.
7. ICSC adopted these proposals and is recommending them to the General Assembly at its fifty-first session.

(b) The functioning of the Committee

8. In the context of the review of the functioning of the Committee (paras. 78 to 89), ACC is requested to propose to the General Assembly that, as part of the reforms being undertaken throughout the common system, sessions of the International Civil Service Commission be limited to one per year and that the work programme of ICSC be adjusted accordingly.

(c) Date and place of the next meeting

9. The eighty-sixth session of CCAQ(PER) is scheduled to take place in 1997 in conjunction with the forty-fifth session of ICSC.

II. WORK OF CCAQ(PER)

A: Action taken and decisions adopted by the Committee

10. The following decisions were taken by the Committee under its own responsibility.

(a) ICSC

11. CCAQ(PER) prepared statements for submission to ICSC's forty-fourth session on the following matters:

- Adoption of the agenda of the ICSC session
- Methodology for determination of pensionable remuneration for Professional and higher categories
- Methodology for determination of pensionable remuneration for General Service and other locally recruited categories
- Special index for pensioners
- Common staff assessment scale
- Comparison of pensionable remuneration
- Evolution of the margin
- Base/floor salary scale

Review of General Service salary survey methodologies
Mobility and hardship: administration of the non-removal element
Working Group on post adjustment

12. At the conclusion of ICSC's session, the Chairman of CCAQ made a further intervention expressing concern at the continued absence of the staff bodies from ICSC and the potential fragmentation of the common system. He spoke also of the crucial need for ICSC to ensure that its decisions were based on sound technical determinations and without any hint of legal taint. Only by functioning in this way could the Commission restore the confidence and openness sought by the staff as a prerequisite to rejoining the consultative process in the Commission which had been requested by the UN General Assembly.

(b) Education grant

13. On the basis of an examination of over 9,600 education grant claims, the Committee made proposals to ICSC's forty-fourth session inter alia for increases in the education grant in the following currency areas:

Swiss franc	10.0 per cent
Italian lire	5.0 per cent
Norwegian krone	12.1 per cent
Dutch guilder	6.8 per cent
Swedish kronor	10.0 per cent
Pound sterling	10.0 per cent
US dollar in USA	10.5 per cent

14. These proposals were endorsed by ICSC for submission to the General Assembly.

(c) Removal entitlements

15. CCAQ decided to revise common system removal entitlements. The major revisions are:

- (i) to express the removal entitlement in terms of the following container sizes;
 - for staff with recognized dependants: 1 x 40 ft container;
 - for staff without recognized dependants: 1 x 20 ft container;
- (ii) to base computations related to the removal entitlement (i.e. split shipments) on the equivalent of the costs of transportation of the container;
- (iii) to equate the container size to:
 - (a) cubic metres for removals by road (i.e. 64 cu.m. for staff with recognized dependants or 32 cu.m. for staff without recognized dependants);
 - (b) chargeable weight for removals by air on the basis of the conversion rate 0.006 cu.m. = 1 kilo chargeable weight;

- (iv) to provide - in conjunction with a removal - for an advance shipment by air freight established in kgs chargeable weight as follows:
 - for staff with recognized dependants: 500 kgs chargeable weight by air freight
 - for staff without recognized dependants: 300 kgs chargeable weight by air freight
- (v) to express the non-removal entitlement in terms of volume, i.e. cubic metres;
- (vi) whilst not disturbing too greatly the balance between the removal and the non-removal entitlement, to strive to rationalize the non-removal entitlements for those with and without families and hence to express the entitlement as follows:
 - 12 cubic metres for the staff member
 - 3 cubic metres for each eligible family member;
- (d) Training

16. CCAQ(PER) noted with appreciation the report of the nineteenth session of its Sub-Committee on Training. It endorsed revised terms of reference for the Sub-Committee as follows:

- (a) to advise CCAQ on staff training matters;
- (b) to act as the interagency clearinghouse on staff training matters through the regular exchange of experience, information and training materials;
- (c) to develop common approaches, strategies, standards and other training materials wherever feasible and cost effective; and
- (d) to serve as a forum for the furtherance of knowledge on evolving theories and best practices in staff training and related issues.

17. It further invited the Sub-Committee, while keeping its formal meetings to a minimum, increasingly to use tele- or video-conferencing to foster greater collaboration and cooperation among its members.

- (e) Job classification

18. The Committee endorsed the draft Tier II standard for human resources management specialists for promulgation by the Chairman of ICSC.

B. Summary of deliberations

THE COMMITTEE'S CONSULTATIVE SESSION IN APRIL 1996

19. In April 1996, the Committee held a consultative session at the same time as the forty-third session of ICSC. A report of this session (listed as the Committee's eighty-fourth session) was produced and circulated to participants.

20. The Report contained:

(a) A preliminary draft statement for submission to ACC and subsequently by ACC to the General Assembly's resumed fiftieth session;

(b) twelve statements which were made to ICSC's forty-third session; and

(c) conclusions reached by the Committee in four areas:

- (i) removal and shipping entitlements;
- (ii) cost-sharing arrangements for FICSA;
- (iii) the level of the education grant for Beijing (China);
- (iv) matters related to the secretariat.

21. The preliminary draft statement was subsequently amended after discussion at ACC's first regular session in April 1996; the final version is attached as annex IV.

22. The statements to ICSC are contained in ICSC's Twenty-Second Annual Report and in the Report of ICSC's forty-third session.

23. The conclusions reached on the four other items referred to above are contained in annex III to this document.

REMUNERATION OF THE PROFESSIONAL AND HIGHER CATEGORIES

Evolution of the margin between the net remuneration of the United States federal civil service and that of the United Nations system (ICSC/44/R.4)

24. The Committee noted that the updated margin forecast for 1996 was 109.7 and that the ICSC secretariat had provided ample evidence in the document that the FEPCA legislation would never be implemented. The document also contained an indication of the extent of the annual pay increases being contemplated for US federal civil servants up to the year 2002 [approximately 3 per cent per annum]. The Committee concluded that it would inform the ICSC:

C that the restoration of the margin to the mid-point of the range should be considered in conjunction with its consideration of the base/floor salary scale;

C of its continuing concern for comparing UN system pay levels with those of a

comparator whose pay setting principles were dictated by national political considerations;

- C that, in the long run, ignoring world employment market forces in pay-setting could prove more costly - in direct and indirect terms - than normal adjustments to maintain competitiveness; and
- C that the information provided on US anticipated pay adjustments from 1997 to the year 2002 would appear to lead to greater margin stability for some years to come.

Base/floor salary scale

25. Document ICSC/44/R.5 provided evidence that a 5.68 per cent increase in the base/floor was required to bring UN pay levels in line with equivalent levels in the comparator civil service in Washington, D.C. Concerned (a) at the lack of clarity in the manner in which the base/floor scale would be updated and (b) at the manner in which the Commission's 1995 proposals would be updated, the Committee concluded that it would insist that these issues be discussed either in conjunction with the consideration of the base/floor scale or as a new separate agenda item. The Committee also decided to present a conference room paper to ICSC outlining proposals for:

- (i) a real increase at all grades and steps in the base/floor scale. The minimum increase at any grade and step would be 3.1 per cent. Higher increases would apply at some grades and steps to provide for restructuring of the scale exactly along the lines of ICSC's proposals to the General Assembly in 1995. These real increases would increase the margin by some 4.1 percentage points from 109.7 to approximately 114.4 in 1997 and 115.3 in 1998; and
- (ii) a further adjustment of the base/floor by consolidation of post adjustment (i.e. on a no loss - no gain basis) to bring the base/floor to the required level. This adjustment would have no impact on the margin.

The combined effect of these measures would be to increase the P-4/step VI level in the base/floor salary scale by 5.68 per cent. These adjustments would be effective as of 1 March 1997. The financial implications of these adjustments strictly in salary terms was estimated at US\$ 39 million for the real increase in salaries and for the restructuring of the scale (the total costs of the proposal, including increases in pension contributions, etc. were estimated at some US\$68 million) and (b) US\$ 3.5 million for costs related to increases in the mobility and hardship scheme and the scale of separation payments.

PENSIONABLE REMUNERATION AND PENSION ENTITLEMENTS

Common staff assessment scale

26. The Committee took note of the conclusions of the United Nations Joint Staff Pension Board (UNJSPB) emanating from its July 1996 session as well as updated information provided in ICSC/44/R.2.

27. The Committee was conscious that the overall goal of introducing a common scale of staff assessment remained the reduction of the phenomenon of income inversion which was inevitably exacerbated by two other factors, namely:

- C different grossing-up factors used in the methodology for the determination of pensionable remuneration (46.25 for the Professional and higher categories and 66.25 for the General Service and related categories); and
- C different interim adjustment procedures applied under the Professional and General Service methodologies.

28. Furthermore, it was difficult to reconcile the competing objectives for the construction of the common scale set by the Commission and reiterated by the Board, namely:

- C that the new scale, while reflecting average taxes at the seven headquarters duty stations, should not adversely impact on pensionable remuneration levels at the lower end of the scale nor increase pensionable remuneration levels at the upper end of the scale.

29. The Committee expressed its appreciation for the efforts which had been made by the Commission's secretariat to produce a scale which best accommodated and least offended these competing objectives. It would so report to the Commission and confirm its willingness to cooperate in the development of an acceptable common scale of staff assessment.

Pensionable remuneration of the Professional and higher categories

30. The Committee, noting that ICSC would conclude its consideration of this matter at its forty-fourth session, would report to the Commission that:

- C while both ICSC and the Board had confirmed the use of the 46.25 per cent grossing-up factor, CCAQ reconfirmed that it did not wish to see this factor endorsed forever. Repeated endorsement did not - in the Committee's view - imply that this was the only grossing-up factor which could be used;
- C continued use of different grossing-up factors for the Professional and for the General Service categories (46.25 and 66.25) implied that the income inversion phenomenon could never be completely reduced; hence a common scale of staff assessment should not be seen as the vehicle which would eliminate income inversion;

- C the continued use of the 1:1 interim adjustment procedure for the Professional category (i.e. adjusting pensionable remuneration in the same percentage as net remuneration in New York between comprehensive reviews) meant that upward adjustment of pensionable remuneration levels would inevitably be required at the end of each period between comprehensive reviews.

Pensionable remuneration of the General Service and related categories

31. The Commission would complete consideration of this matter at its forty-fourth session, the Committee had no comments to add to those made at ICSC's forty-third session when it had confirmed to ICSC that:

- C there was no need to change the 66.25 grossing up factor at this time;
- C the non-pensionable component (NPC) should be looked into in the context of the 1997 salary survey methodology review.

Special index

32. The Committee would advise ICSC that it had no comments to add to those made at the Commission's forty-third session when it had:

- C expressed disappointment that ICSC's 1996 study did not respond to the concerns raised by CCAQ in 1994 in particular (a) in respect of how the special index had met the perceived needs for its existence, (b) whether it had proved to be cost effective and (c) what impact it had had on income replacement issues;
- C confirmed that without these analyses, it could not express a view on the question of retaining the special index;
- C considered that it would be premature to tamper with the current special index procedures until the conceptual issues had been reviewed;
- C recalled that the special index was not a mathematical index but an element which took into account taxes levied (or not levied) on pensioners in different countries. As it was an element directly linked to the determination of benefits, CCAQ wondered if the review of the special index might not equally well be carried out by the Pension Board.

Comparison of pensionable remuneration

33. The Committee noted in ICSC/44/R.3 that the estimated 1996 pensionable remuneration ratio between the UN and the US federal civil service was 108.7 with the New York/Washington cost-of-living differential and 125.1 without it.

34. The Committee also noted the average income replacement ratios for the rolling three-year period, 1 January 1994 to 31 December 1996, of 55.0 and 55.5 for the UN and the

comparator civil service, respectively.

35. The Committee had had the opportunity to comment for several years on the persistent difference between these income replacement ratios and had hoped that appropriate analyses of this continuing trend would be incorporated into the 1996 comprehensive review of the methodology.

36. In the meantime, the US federal civil service pension system had become increasingly diverse and fragmented with the introduction of the Federal Employees Retirement Scheme (FERS) and the creation of separate retirement schemes linked to some of the additional United States pay systems. These new pension schemes either supplemented or were used to replace the old civil service retirement scheme or the FERS. The ICSC secretariat considered that comparisons of pensionable remuneration levels were becoming, as a consequence, both more complex and less meaningful.

37. In the light of these considerations, the Committee concluded that it would inform the Commission that:

- C the procedures for pensionable remuneration comparisons with the comparator US federal civil service should be radically revised to allow for such comparisons to be made on an actuarial basis every five years or so and that the Consulting Actuary of the Pension Fund should be requested to cooperate in these comparative analyses.

REVIEW OF THE LEVEL OF THE EDUCATION GRANT

38. In ACC/1996/PER/R.4, the Committee was provided with the results of the third review of the level of the education grant under the revised methodology approved at ICSC's thirty-fifth session and endorsed by the General Assembly in resolution 47/216. The note by the CCAQ secretariat also examined (a) the flat rate for boarding costs, (b) the additional costs of boarding dependent children of staff members serving at designated duty stations and (c) a number of other issues which had been referred to the CCAQ secretariat.

39. As in previous reviews, data had been sought for all claims. While the computerized data collection and analysis which had been a feature of the past two reviews allowed for a more extensive analysis to be undertaken, organizations had still experienced a number of difficulties largely due (a) to a lack of standardization in computer data base software across the common system and (b) to differences of interpretation by those preparing the data set.

40. In all, the secretariat had received information on 10,312 claims. Data relating to 9,633 claims for a full school year had been analysed in depth; these represented well above 75 per cent of all claims for a full school year; the data set was therefore considered to be an exceptionally sound sample.

41. Under the methodology, the trigger (more than 5 per cent of claims exceeding the current level of the maximum admissible expenditure level (MAE)) had been met in seven of the 17 currency areas: the Swiss franc, Italian lire, Dutch guilder, Norwegian krone, Pound sterling, Swedish krona and the USA dollar in the United States. The majority of claims exceeding the MAE in Swiss franc and Italian lire were in the bracket up to 10 per cent above

the maximum. The majority of claims in the Pound sterling and US dollar in the USA currency area were well above 15 per cent over the maximum. Given the size of the sample for the Swedish krona, Dutch guilder and Norwegian krone, expenditure data were deemed less meaningful.

42. The General Assembly, by its resolution 49/223, had approved the recommendation of the Commission to establish two separate US dollar areas: expenditures made in US dollars in the United States and those made in over 100 other currencies which were converted into United States dollars for the purpose of administering the education grant. The results of the analyses of expenditures in these two dollar areas were quite different. Claims in the US dollar in the USA exceeded the MAE level by 17.95 per cent; US dollar expenditures outside the United States showed only 3.5 per cent of claims were in excess of the MAE level. The US dollar/outside the USA currency area claims, however, were not homogeneous; they represented a composite of expenditures in a large number of countries and currencies; these data also gave evidence of a number of educational institutions outside the USA which were (a) charging fees in US dollars or other 'hard' currencies at (b) levels more comparable to the fees of the country of origin of the school rather than its location.

43. Under the methodology, the amount of adjustment for the currency areas which had triggered had to be determined pragmatically in conjunction with the actual movement of secondary school fees (average of representative schools) in the period since the last review, taking into account fees for the forthcoming academic year. Fee data had been somewhat expanded in the secretariat's review to reflect better those schools attended by children of UN system staff members. As in previous reviews, the fee data represented solely tuition fees and - in a few cases - the tuition and boarding levels where these were consistently available. Because data in respect of capital assessment fees, registration fees and other mandatory expenditures were not consistently available, these were excluded from the analyses of fee movements. The secretariat, however, provided data on some of these other mandatory items of expenditure for a sampling of representative international schools at headquarters' duty stations.

44. The analysis of fees had demonstrated that, in almost all locations, fees had continued to climb. For those countries for which a review of the level of the grant was warranted, fees had increased over the two-year period between 6.8 per cent to 24.7 per cent.

45. Following a review of the secretariat's proposals by a working group, the Committee concluded that the adjustment of the levels of the seven currency areas which had met the trigger should be based on two considerations:

(i) the average percentage movement of fees over the two-year period (1993/94-1995/96); and

(ii) claims data which showed the number of claims remaining uncovered if the increase which might be accorded were based solely on fee movement; these data highlighted the need to exercise a pragmatic approach and restraint because (a) fee rates in currency areas varied, (b) the actual number of cases which triggered the increase was also in some cases limited, and (c) there would be an in-depth review of the grant in 1997.

In the light of these considerations, the Committee concluded that the increase proposed be based upon either (i) the average fee movement or (ii) the increase required to have less than 5 per cent of claims above the new MAE - whichever was lower - with the exception of the Swedish krona. Only two claims were at levels above the current MAE for this currency area; the Committee therefore decided that it should be adjusted on the basis of leaving only one of the claims above the new MAE level.

46. The issue of the adequacy of the sample for triggering increases had been discussed at the time of previous reviews. Even though in absolute terms the number of claims analysed for the Dutch guilder, Swedish krona and Norwegian krone were few, the Committee reaffirmed that it was appropriate to consider increases irrespective of the actual number of cases.

47. The Committee thus decided to propose the following increases: Swiss franc - 10 per cent; Italian lire - 5 per cent; Norwegian krone - 12.1 per cent; United States dollar in the USA - 10.5 per cent; Pound sterling - 10 per cent; Dutch guilder - 6.8 per cent; and Swedish krona - 10 per cent. The new levels should be applicable as from the school year in progress on 1 January 1997. CCAQ observed that the proposed increases were conservative as they were based on expenses incurred by staff members for the 1994-1995 school year. By the time the measures were approved, staff members would be committed to even higher levels of expenditure for the 1996-1997 school year.

48. Recalling that a full review of the education grant was scheduled to be carried out in 1997, the Committee decided to recommend the adjustment of the flat rate for the seven currencies in accordance with the existing methodology (i.e. by the same percentage increases as the MAE level). A number of concerns about the flat rate were however reiterated, not least that of maintaining its "reasonableness" in those currencies for which no increase in the MAE was being proposed. Given the fundamental concern for the complexity of the education grant and the need to simplify its administration, a broader view of the issue was necessary. The secretariat's proposals for an alternative adjustment mechanism for the flat rate (e.g. movements in national CPI, post adjustment or DSA rates) would therefore be carefully studied at the time of the full review in 1997 along with a number of other concerns such as (a) the diversity of practices in respect of allowable and non-allowable items of expenditure, (b) currency of payment of advances and settlement of education grant claims on the basis of each separate currency area and (c) flat rates for books.

49. Some organizations considered that, as a temporary measure to ensure that administration of the grant avoided a cultural bias toward one region over another, in countries where it was the practice for boarding to be provided by a separate boarding institution which was certified by the school, the amount of the grant per year should equal 75 per cent of the sum of the expenses for attendance and board up to the maximum admissible educational expenses within the overall maximum for the currency area. Other organizations were not in a position to agree to this arrangement and considered it appropriate to consider the matter at the time of the in-depth review in 1997.

50. With regard to concerns about the additional flat rate amounts payable to staff members at designated duty stations, the Committee decided that, pending the full review of

the grant in 1997, these amounts should be maintained at present levels except for those currencies where the amount for additional reimbursement of boarding costs had fallen behind the normal flat rate (Pound sterling, Italian lire and US dollar in the USA area); in such cases, inter alia for administrative simplicity, the level of additional reimbursement should be aligned with the amounts of the normal flat rate.

51. Regarding the special education grant for disabled children, the Committee reconfirmed that the amount for each disabled child should be equal to 100 per cent of the revised amounts of maximum admissible educational expenses for the regular education grant.

52. The cost implications of the Committee's proposed increases were estimated per annum at approximately US\$ 590,000 in respect of the increase in the maximum reimbursable levels and US\$ 233,000 in respect of the increase in boarding costs.

53. In response to the specific request of UNHCR and UNU to review the education grant level applicable in Tokyo, the Committee noted that only 2.1 per cent of expenditures analysed in the current review (48 claims had been reported) exceeded the current MAE for the Japanese Yen. Nor did the movement of school fees from the 1995/96 to 1996/1997 academic years indicate a sharper rise than at a number of other duty stations. It therefore did not consider that any special action was warranted in respect of expenditures made in Japanese yen.

54. At the request of FAO, CCAQ, at its eighty-fourth consultative session, had reviewed problems with the level of the education grant in Beijing resulting from a sudden and significant increase in tuition and related fees at the International School of Beijing (ISB), the only available international secondary level educational institution at the duty station. As an exceptional measure, the Committee had agreed to consider recommending the establishment of a special rate which would be appropriate for the new fee levels established by the ISB. It had also urged organizations to do their utmost to assist staff members in Beijing who were required to make payments - which were substantial - to the ISB in advance of the academic year. Information presented by the secretariat in the context of the current review provided further evidence that the so-called US dollar/outside the USA area was not homogeneous and that some form of exceptional measure might be required to avoid a disproportionate financial burden on certain staff members at certain duty stations in the US dollar/outside the USA currency area. It therefore decided to propose that ICSC recommend to the General Assembly that its Chairman be granted the authority to approve special measures to respond to such circumstances; these were expected to be few. The Committee therefore decided to propose that 75 per cent of all admissible items of actual expenses be reimbursed up to and not exceeding the MAE level in force for the US dollar/USA area under the following conditions:

(a) there was a restricted choice of educational institutions at the duty station (one or two schools);

(b) a sudden and sharp rise in school fees had occurred which would result in an undue financial burden for expatriate staff (costs at the school would exceed by 20 per cent or more the MAE level of the US dollar/outside the USA currency area);

(c) in no case would the exceptional MAE level in the particular US dollar outside the USA area exceed the rate in the US dollar/USA area; and

(d) the General Assembly would be kept informed of exceptions so approved.

In the current review only the International School Beijing (ISB) met these criteria. (The Commission agreed to the introduction of a special measure for Beijing but not to a generalized exceptional measure.)

REMOVAL ENTITLEMENTS

55. At its eighty-fourth session, the Committee had taken an initial look at current removal and non-removal arrangements. It had decided to retain the full removal entitlement but inter alia to introduce modern shipping practices (e.g. containers) with entitlements expressed in cubic metres (for shipments by land) and chargeable or taxable weight (for shipments by air). In ACC/1996/PER/R.6, the Committee received detailed proposals updating the current removal entitlements so as to account for containerization and to rationalize the non-removal entitlements for those with and without families.

56. The Committee supported the proposals to align entitlements with modern shipping practice and terminology; these would apply to recruitment, reassignment or transfer and repatriation shipments. They did not relate to baggage allowances on official business or entitlements related to home leave or family visit travel, travel resulting from accident or illness or travel in connection with education grant. These entitlements would, however, be reconsidered as soon as possible.

57. After careful examination of the proposals contained in the document, which provided a large potential for achieving economies, the Committee concluded:

A. Removals

- (i) to express the removal entitlement in terms of the following container sizes;
 - for staff with recognized dependants: 1 x 40 ft container;
 - for staff without recognized dependants: 1 x 20 ft container;
- (ii) to base computations related to the removal entitlement (i.e. split shipments) on the equivalent of the costs of transportation of the container;
- (iii) to equate the container size to:
 - (a) cubic metres for removals by road (i.e. 64 cu.m. for staff with recognized dependants or 32 cu.m. for staff without recognized dependants);
 - (b) chargeable weight for removals by air on the basis of the conversion rate 0.006 cu.m. = 1 kilo chargeable weight;
- (iv) to provide - in conjunction with a removal - for an advance shipment by air

freight established in kgs chargeable weight as follows:

- for staff with recognized dependants: 500 kgs chargeable weight by air freight
- for staff without recognized dependants: 300 kgs chargeable weight by air freight

These chargeable weight levels would also be listed, for the information of staff members, in simple kilogramme terms (i.e. 500 kgs chargeable weight equals approximately 250-300 kgs), but the entitlement would for computation purposes remain based on the chargeable weight levels. A text containing possible staff rule or administrative instructions reflecting these changes would be developed by the CCAQ secretariat for circulation to the organizations of the system.

- (v) to allow for the transportation of motorised vehicles within the removal if these conveyances fit into the container and provided that the staff member accepted in advance to bear full responsibility for the costs of (a) any additional “packing” and (b) arranging for the entry of such vehicles (customs formalities, motor licensing requirements, etc.) at the destination;

B. Non-removals

- (vi) to express the non-removal entitlement in terms of volume, i.e. cubic metres;
- (vii) whilst not disturbing too greatly the balance between the removal and the non-removal entitlement, to strive to rationalize the non-removal entitlements for those with and without families and hence to express the entitlement as follows:
 - 12 cubic metres for the staff member
 - 3 cubic metres for each eligible family member;

The Committee would provide indications of the net kilo levels equivalent to the chargeable weight levels, but would use the chargeable weight levels for computation purposes.

- (viii) the Committee did not consider it appropriate to impose any ceiling on the total number of cubic metres which could be shipped if the family size so warranted.

C. Time limiting the non-removal element in the mobility and hardship matrix

- (ix) to maintain the clear distinction between the removal entitlement and the non-removal entitlement as distinct, separate shipping entitlements. Thus, a staff

member who had received the non-removal element for the earlier period would not be eligible for a removal entitlement at the same duty station.

Thus, the Committee would report to ICSC that it had completed its review of shipping entitlements which had resulted in considerable streamlining and rationalization and confirmed its support for time-limiting the non-removal element in the mobility and hardship matrix.

BRIEFING ON MEDICAL STANDARDS

58. In a note prepared by WHO (ACC/1996/PER/R.7), the Committee was provided with an update on the status of the study of current practices within the United Nations system regarding the purposes of medical clearance. The need for such a review had partially arisen as a consequence of the application of the policy adopted in respect of the medical clearance of candidates with HIV/AIDS.

59. Attached to the status report, the Committee was provided with a background paper prepared by an outside specialist at the request of WHO and UNAIDS on "Legal and Ethical Issues Regarding United Nations System Personnel Policy on Medical Clearance". In ACC/1996/PER/R.7/Add.1, the Committee was also provided with the views of the Medical Directors of the United Nations Organizations addressing in particular the responsibility of the UN Medical Directors for setting UN medical standards and requesting CCAQ to endorse as the objective of the pre-employment medical examination, the distinction between fit or unfit for the post and its duties by applying the criteria: (a) the applicant was fit for duty on medical examination; (b) the applicant is free from any ailment which was likely to impair the health of others; and (c) the applicant could be expected to give regular and effective service in the future. The Committee was also requested to clarify whether the financial risks to the social security programmes should be made an explicit objective of the pre-employment medical examination.

60. Recognizing the difficulty in achieving the delicate balance among competing socio-political and managerial considerations, the Committee did not feel that it was in a position to pronounce on the issue before broader issues were evaluated, in particular the impact of potential changes in medical clearance on the Pension Fund and health insurance schemes and on conditions of employment for the whole workforce if increased absenteeism and turnover would result. In the consideration of the study which had been undertaken by an eminent specialist on the legal and ethical issues regarding medical clearance, the Committee observed that, because international organizations bore a special responsibility for an employee which went well beyond the responsibility of an employer at the national level, prudence in determining entrance medical standards was essential. An individual's welfare had to be considered in light of the unique working and living conditions of the international civil service, often requiring extensive travel to locations with limited medical facilities.

61. The Committee acknowledged the importance of the current review and of the need to ensure that its medical clearance procedures were appropriately balanced between current ethical considerations as well as the needs of the organizations. A number of members expressed the view that the overriding concern must be for the interests of the organizations.

Others felt it desirable to move toward greater consistency in the treatment of candidates with potentially disabling conditions including HIV/AIDS.

62. The Committee agreed to keep the matter under study and requested WHO to continue to pursue the work on the economic and financial aspects of a revised policy. In the meantime, the current medical standards would continue to be applied.

LONG TERM CARE

63. CCAQ had begun to look into the question of long-term insurance in 1994. Societal trends and their consequences had underlined the need for such insurance; life expectancy was increasing rapidly; most of those surviving into old age would have some degree of handicap, *inter alia* because of improved diagnosis and care which were making chronic disease less often fatal. Traditionally, dependent old people had been cared for by their families, but this tradition was being eroded. The situation of those who worked for international organizations was more complex and nearly always less favourable - particularly for expatriate staff - than that of those who were employed in a national setting.

64. In addition to the general concerns for the need for insurance against long-term care costs, the Committee noted that international civil servants would be particularly at risk as, in most cases, they would be excluded from the normal national social security arrangements which pertained to their country or to arrangements at their chosen place of residence. International organizations therefore bore a special responsibility to their staff. There was a further complication in the case of UN pensioners whose dependent spouses were by and large also ineligible for any national social security coverage and who were left in a particularly impecunious state if the UN pension had to be used to meet long-term care costs.

65. The Committee in ACC/1996/PER/R.8, its addendum and CCAQ(PER)/85/CRP.4 was provided with a further review related to the introduction of affordable long-term care insurance for UN common system staff, retirees and their dependants. This included the findings of a small inter-sessional task force which had met in 1996 to consider various alternatives for the development of long-term care insurance and had put forward a number of preliminary conclusions.

66. A report prepared by the UK Lloyds Insurance Underwriters Willis Corroon on long-term care provided additional insight on the possibility of using a commercial company to insure in part or in whole against long-term care costs.

67. The Task Force had noted that the effectiveness of such insurance schemes was greatly enhanced if they were compulsory rather than voluntary. It had concluded that a viable alternative would be for the Pension Fund to collect contributions into a separate long-term care fund on which the health insurance administrations or some separate body would draw to meet costs of actual cases. Such procedures would not involve a direct contribution to the scheme by Member States; rather each organization would bear the costs of the overhead in administering claims. Any scheme should be open to staff members, their recognized dependants and retirees and should encompass case management, nursing home care, home care and family member health care providers. Benefits could either be related to actual costs up to a set annual ceiling or be a flat rate. Qualification for benefit should be

subject to the adjudication by a medical practitioner.

68. Because this was an area where it was difficult to evaluate present and future claims, the purchase of a commercial insurance policy would allow the organizations to transfer the risk to a third party while they learned more about the costs involved and the development of claims over time. It was important to have the commitment from an insurer for coverage over a minimum of three to five years to allow for the possibility of re-negotiating the contract at the end of that time or to transfer reserves to a self-insurance.

69. The Committee expressed appreciation for the progress which had been achieved on the issue which was generally recognized to be difficult due to its ground-breaking nature; there was little outside experience on which to build, and the international nature of the UN system workforce presented added complexity.

70. A variety of views were expressed as to the appropriateness of a mandatory scheme for the UN system. The Committee considered that a compulsory scheme should be further explored, but if it were mandatory, some felt that there should be financial support from Member States, either on the usual one third, two thirds formula or alternatively on a 50/50 basis. Given, however, the rapidly changing nature of the UN workforce (i.e. towards more short-term contracts), the question of mandatory coverage became more complex. Further attention should therefore also be given to an option for a voluntary scheme, perhaps encompassing a larger group of international staff than just that of the UN common system (e.g. including the Coordinated Organisations, CERN, etc.). There was general support for using a commercial insurance policy, particularly at the scheme's start-up, and for using the Pension Fund as the mechanism for the collection of contributions. In view of the differences in cultural practices and in health care costs across regions, reasonableness dictated that such a scheme might have to be limited to certain regions or to a restricted population. These issues were highlighted for further investigation, together with that of avoiding any overlap between coverage under health insurance schemes, national social security systems and any long-term care insurance. The Committee therefore decided to return to the issue in 1997 and requested its secretariat to continue to pursue the matters raised.

TRAINING

Report of the Sub-Committee on Staff Training

71. The Committee took note with appreciation of the report of the nineteenth session of the Sub-Committee on Staff Training in ACC/1996/PER/R.5 which addressed a number of key concerns of inter-agency collaboration and information sharing. In addendum 1, the Committee was provided with the Report of the ISCC Task Force on Strategic Planning which dealt with a number of matters closely associated with the training area. The Secretary of ISCC had also attended the meeting of the Sub-Committee and had underlined the importance of enhanced support and cooperation in training in the information technology area. Training was recognized as vital to technological innovation and the management of change; close inter-agency collaboration would help increase operational effectiveness and achieve economies of scale.

72. The Sub-Committee had an important role to play in fostering cooperation and collaboration, particularly at a time when organizations had to meet the challenge of responding to new mandates at the same time as resources were being reduced. While recognizing the difficulty in achieving consensus in the establishment of core areas for collaboration in management training, the Committee expressed the hope that the Sub-Committee would soon complete its important task of developing a common management development framework for competency-based performance management. It should also endeavour to collect information in a manner which would facilitate comparisons of training activities and budgets across the UN system.

73. In response to the Committee's request at its eighty-third session, the Sub-Committee had reviewed its role and functioning as input for the broader review of the functioning of ACC and its subsidiary bodies. In reviewing the revised terms of reference proposed by the Sub-Committee, the Committee underlined the need to infuse flexibility into the functioning and methods of work of the Sub-Committee and to avoid, to the extent possible, automaticity in the scheduling of meetings.

74. Responding to the debate, the Chairperson of the Sub-Committee informed members that a number of new approaches were planned which sought to enhance responsiveness to CCAQ's concerns: an electronic bulletin board using E-mail on a restricted network administered by ITU was being created so that all agencies and inter-agency bodies might post information, share materials and seek advice; and tele-conferencing would be considered whenever feasible as an alternative to holding a meeting.

75. With the understanding that the Sub-Committee would be a flexible forum for fostering collaboration and cooperation in training and make optimum use of modern cost-effective means of communication, the Committee endorsed the following revised terms of reference:

- (a) to advise CCAQ on staff training matters;
- (b) to act as the interagency clearinghouse on staff training matters through the regular exchange of experience, information and training materials;
- (c) to develop common approaches, strategies, standards and other training materials wherever feasible and cost effective; and
- (d) to serve as a forum for the furtherance of knowledge on evolving theories and best practices in staff training and related issues.

76. Acknowledging that there was much to be gained from exchanges among members of the Sub-Committee, it was suggested that, while keeping formal meetings of the Sub-Committee to the minimum necessary, the use of video-conferencing on a relatively frequent basis would enable the Sub-Committee to fulfil its mandate without entailing increased costs. For example, the Committee might meet every two years, but arrange for two video-conferencing sessions between its formal meetings.

UN Staff College

77. The representative of the ILO Turin Center, who also served as the Chairperson of the Sub-Committee on Staff Training, provided a briefing on the status of the development of a United Nations Staff College.

THE FUNCTIONING OF ACC AND ITS SUBSIDIARY BODIES

78. In ACC/1996/PER/R.9 and CCAQ(PER)/85/INF.DOC.1, the Committee was provided with the background to a request by the Secretary of ACC seeking the views of CCAQ(PER) to the ongoing review of the functioning of ACC and its subsidiary bodies. In particular, four issues were raised: (a) the responsiveness of CCAQ(PER) to the requirements of central inter-governmental bodies and to the main concerns of each of the organizations of the system; (b) the Committee's methods of work, including the periodicity and length of meetings, flexibility and reduction of costs; (c) possible improvements in the Committee's functioning, taking into account new task forces; and (d) the Committee's follow-up action to ACC decisions and the role of the Organizational Committee (OC).

79. As the question of CCAQ(PER)'s functioning had been reviewed by the Committee at some length at its 1995 sessions, the ACC secretariat had been provided with some initial conclusions which had been taken up in OC and ACC in April 1996. ACC had reached a number of conclusions thereon. In general, there appeared to be significant commonality in the positions taken by the Committee and by ACC in respect of:

- more effective and less costly means of working;
- more extensive use of E-mail networking and tele-conferencing;
- more integrated use of the facilities of jointly-financed secretariats;
- more frequent resort to lead agencies or task managers;
- the flexible use of small working groups or task forces of concerned agencies
- fewer sessions.

to be

80. The Committee recognized that each of the above elements had to be seen within the overall context of the unique role of CCAQ(PER) vis-à-vis ICSC. Even before the inception of ICSC, CCAQ(PER) had born special responsibility for reaching decisions on the introduction of harmonized personnel procedures and practices. The advent of ICSC had not only enhanced that role, but also had made it more complex and formal. The consultative partnership between ACC and ICSC afforded CCAQ(PER) a responsibility unparalleled in the inter-agency machinery. ICSC decided or made recommendations to the General Assembly on pay and allowance and job classification standards for all common system staff. It was also empowered to make recommendations to executive heads inter alia on recruitment standards, recruitment sources, selection procedures, career development, training and the evaluation of common system staff. On all these issues, the Committee was called upon to present to ICSC the views of the executive heads - harmonized to the extent possible - in an effort to assist ICSC in reaching balanced and practical conclusions. This was all the more important at the current stage when CCAQ(PER) provided the only forum at the inter-agency level at which the views of staff could be made known.

81. Because ICSC regulated and coordinated conditions of service for the common system as a whole, organizations' representatives not only needed to know about particular changes, but had a formal role to play in their elaboration. Moreover, through the ICSC Statute, each executive head was enjoined to participate in the consultative process; with more than 50 per cent of the decisions affecting personnel being taken at the inter-agency level, it was crucial for organizations to be active in this process. Increasingly, the trend was for organizations' representatives to limit their attendance at ICSC sessions strictly to those items which were especially relevant to their organizations or for which they were required to be present, for example in the case of discussion of the results of a General Service salary survey. However, members of ICSC tended to react negatively to the absence of consultative partners, and some organizations had found to their distress that, in their absence, their organization had been criticized by ICSC without there being any possibility of a timely response before the Commission. Overall, the matter of representation was one for each executive head and each organization to determine.

82. The scope for the Committee drastically to reduce the number of its sessions was inherently linked to its consultative relationship with ICSC. The matter was further complicated by the way in which ICSC scheduled its programme of work which often made it difficult for organizations' representatives to plan their participation in ICSC sessions effectively. Moreover, while on some issues a lead agency approach might be applicable - such as redefining medical standards and the ongoing monitoring of non-headquarters General Service salary surveys - it was not advantageous where organizations' positions were at variance or where a balanced presentation was being put together for ICSC.

83. Generally, the participation of CCAQ and the organizations in meetings organized under the aegis of ICSC had been rationalized and reduced in recent years; there was potential for further reductions if ICSC limited its sessions to one a year. This issue was related to agenda management which was not within the purview of CCAQ. Costs associated with participation in these meetings had to be weighed against the potential benefits and the importance organizations associated with particular changes in conditions of service, particularly at a time when organizations of the common system were undergoing major reform.

84. The Committee's responsiveness to the central inter-governmental bodies and to the main concerns of each organization had also to be seen in the light of the unusual role played by the Committee in ICSC and, arising directly out of its consultative partnership in the ICSC, the uncommon role it played in the General Assembly, participating through its Chairman or Secretary in those 'informals' of the Fifth Committee related to the consideration of the ICSC report. In a period when the General Assembly was largely negative to improvements in common system conditions of service, this role had become the more important in terms of providing information as to the common system implications of potential courses of action being contemplated by the Fifth Committee.

85. To respond to the main concerns of each organization, the Committee decided to continue to strive for greater balance in its deliberations between ongoing remuneration/entitlements issues and emerging broader personnel management concerns. Inter-agency collaboration had significant cost-benefit potential in the administrative area, as

evidenced by a number of recent policy and procedural reviews undertaken by the Committee: the review of best practice in performance management, the development of core management competencies, the establishment of new social policies (e.g. combatting sexual harassment in the workplace, promoting the status of women, developing a work/family agenda). In order to enhance the strategic focus of its work and strike the necessary balance between the differing needs of the organizations, the Committee agreed that, depending on its agenda, future sessions might be organized into sub-groups of specialists working in parallel which would review the technical aspects of selected issues and report thereon to the full Committee which need thus only meet for one or two days in plenary. Such an approach would lead to a more efficient use of time.

86. The work of the standing Sub-Committees had been rationalized. The Sub-Committee on Job Classification, which had not formally met since 1993, largely relied on smaller working groups for carrying out its substantive work; the Staff Counsellors had met on average once every three years to provide input for the development of new social policies such as the work/family agenda; and the Sub-Committee on Staff Training, which had met on average once every 18 months, would in the future rely more on video-conferencing to fulfil its mandate.

87. The Committee recognized that while, at face value, cost savings would accrue from the further integration of the jointly-financed secretariats related to ACC (e.g. CCAQ, CCPOQ, IACSD, ISCC, the UN Security Coordinator's Office, the CCAQ salary survey specialist) the co-location of the secretariats required very careful consideration and - in the case of the Security Coordinator's Office and the salary survey specialist - their links to their host organizations taken account of. Of importance in the consideration of the further integration of the secretariats and in particular if 'rotating leadership' were to be pursued, would be the identification of the competencies required of inter-agency staff in light of the substantive nature of the work of each of these bodies; the effectiveness of the secretariats would only be undermined if form did not meet the specific functional requirements of each body.

88. Key to enhancing the overall effectiveness of the Committee's work was the need to continue to pursue the application of knowledge on evolving trends and best practices in human resources management such as it had done in the areas of performance management and competencies, particularly at a time when the organizational landscape was changing dramatically. The members of the Committee had benefited from workshops organized in conjunction with its meetings which brought in high-level outside specialists. The presentation organized at the current session on the application of cost-benefit analysis to human resources management was the most recent example. The Committee considered that its effectiveness could be strengthened by discussing different organizations' pilot and demonstration projects in the human resources area. This would enable organizations to benefit from the experiences - positive and negative - of others. Examples of where this would be cost-beneficial were (a) downsizing, (b) streamlining of human resources processes and simplification of rules, entitlements and procedures and (c) decentralization and pooling of resources under joint multi-agency endeavours. The Committee also considered that organizations could obtain benefit from the greater use of (a) electronic exchanges and (b) audio- (and possibly video-) conferencing. Apart from its regular sessions where the need for organizations to be physically present was confirmed, there were many opportunities when

inter-agency consultations could usefully take place; these should be achieved without the need for inter-city travel and formal meetings. The Committee would also continue to study the manner in which organizations of the common system might best benefit from comparative information on human resources management policies and procedures of other institutions at the national and international levels.¹

89. The Committee would so report to ACC and would formally propose that, as part of the reforms being undertaken throughout the common system, ACC further propose to the General Assembly that ICSC sessions be limited to one per year and that the work programme of ICSC be revised accordingly.

CONDITIONS OF SERVICE OF THE GENERAL SERVICE AND OTHER LOCALLY RECRUITED CATEGORIES

Preparation for the review of the General Service salary survey methodologies for Headquarters and Non-Headquarters duty stations

90. The Committee took note of the preparations for the 1997 review of the General Service salary survey methodologies at both headquarters and non-headquarters duty stations as contained in ICSC/44/R.7.

91. It concluded that it would confirm to ICSC its willingness to participate in the proposed working groups on this matter and underlined the need for close coordination between the two working groups in order that the convergencies and differences between the headquarters and the non-headquarters methodologies could be clearly defined.

General Service Salary survey results at Vienna

92. Matters relating to the General Service salary survey in Vienna were dealt with by the administrations of the organizations at the location.

OTHER BUSINESS

Revision of the Tier II Standard for Human Resources Management Specialists

93. The Committee endorsed the draft Tier II Standard for Human Resources Management Specialists for promulgation by the Chairman of ICSC as contained in CCAQ(PER)/85/CRP.8. The revision of this standard had been conducted in accordance with the usual interagency consultation process.

¹ In the course of the session, the Committee took note of a proposal for the development of a research project into human resources management in intergovernmental organizations put forward by the Cranfield University School of Management.

Annex I

LIST OF PARTICIPANTS

Chairperson: Mr. J.-P. Baré (ITU)

Vice-Chairpersons: Ms. M. Ise (UN) & Mr. D. Goethel (IAEA)

Representatives of member organizations

- United Nations: Ms. Momoyo Ise, Director,
Specialist Services Division,
OHRM
- Ms. Rachel Mayanja, Chief,
Common System & Specialist Services
OHRM
- Mr. Julio Camarena-Villasenor,
Common System & Compensation Specialist,
Common System & Specialist Services, OHRM
- UNDP: Mr. Bruce Frank, Chief,
Policy, Compensation and Administration,
Office of Human Resources
- Mr. Mark Farnsworth, Policy Officer,
Office of Human Resources
- UNICEF: Mr. Michael Corbett, Deputy Director,
Division of Human Resources
- Mr. Antoun G. Merhy, Chief,
Classification & Compensation Section
Division of Human Resources
- UNFPA: Ms. Linda Sherry-Cloonan, Chief,
Personnel Branch, DFPA
- Ms. Erlinda Carlos, Personnel Officer,
Personnel Branch, DFPA

UNHCR: Ms. Mary J. Murphy, Director,
Division of Human Resources Management

Mr. Duncan Barclay,
Chief, Policy Coordination,
Division of Human Resources Management

Ms. Anne Gunning, Senior Policy Coordination Officer,
Division of Human Resources Management

ILO: Ms. S. Christine Cornwell, Director,
Personnel Department

Ms. Helen Schebesta, Chief,
Salaries and Pensions Section

ILO International Training Centre
Turin Ms. Margaret R. Simon */
UN System Programmes

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

Mr. Boubacar Touré, Director,
FAO Liaison Office with the United Nations

UNESCO: Ms. Haruko Hirose, Director,
Bureau of Personnel

Ms. Ilana Krishnamurti, Chief,
Division for Personnel & Compensation Policy

ICAO: Mr. J. Ocampo, Chief,
Staff Services Section,
Personnel Branch

UPU: Mr. Christian Langheld,
Head of Personnel

WHO: Ms. Renée Lopez, Chief,
Policies and Recruitment Service

*/ Attended for a selected item of the agenda.

ITU: Mr. Jean-Patrick Baré, Chief,
Personnel and Social Protection Department

WMO: Ms. Katia Chestopalov, Personnel Officer,
Personnel Division

IFAD: Ms. Elsbeth Terwolde, Personnel Officer,
Personnel Division

IAEA:
(also representing
UNIDO) Mr. Dieter Goethel, Director,
Division of Personnel

Observers

ICSC: Mr. Prakash Ranadive, Executive Secretary

Mr. Fred Ordelt, Officer-in Charge,
Salaries and Allowances Division

Ms. Enid Steward-Goffman, Chief,
Personnel Policies Division

Ms. Johanne Girard, Personnel Policies Officer,
Personnel Policies Division

Ms. Linda Saputelli, Personnel Policies Officer,
Personnel Policies Division

FICSA: Mr. Wayne Dixon, President

Ms. Elvira Ajero, Excom Americas

Ms. Hannalore Puhlmann, Research Officer

CCAQ secretariat

Secretary: Mr. Roger Eggleston

Assistant Secretary: Ms. Mary-Jane Peters

Guests

CFC: Mr. Garry Slark, Administrative Officer

PCOPCW: Mr. Chemuta Banda, Head,
Human Resources Branch

FAFICS: Mr. Richard Nottidge

Outside resource specialists

Mr. Gavin Adam, Partner,
Price Waterhouse

Prof. John W. Boudreau
Center for Advanced Human
Resource Studies
Cornell University

Annex II

AGENDA AS ADOPTED BY THE COMMITTEE

[* Items relevant to the agenda of the forty-fourth session of ICSC]

Item	Document
1. Adoption of the agenda ACC/1996/PER/R.3/Rev.1	
2. * Report on the consideration by the resumed session of the General Assembly of ICSC's 1995 Annual Report	
3. * Review of the level of the education grant - Note by the CCAQ secretariat [CCAQ's report on the subject will be issued by ICSC as ICSC/44/R.9]	ACC/1996/PER/R.4 CCAQ(PER)/85/CRP.5 CCAQ(PER)/85/CRP.7
4. Removal entitlements - Note by the CCAQ secretariat * [to be considered in conjunction with the completion of ICSC's review of the mobility and hardship allowance]	ACC/1996/PER/R.6 & Corr.1 CCAQ(PER)/85/CRP.6 [Copies of ACC/1996/PER/R.2 of 13/3/96 will also be available in the meeting room]
5. Medical standards - Notes by WHO and the UN Medical Director ACC/1996/PER/R.7/Add.1	ACC/1996/PER/R.7 &
6. Long-term care - Note by the CCAQ secretariat - Proposals by Willis Corroon London Ltd. ACC/1996/PER/R.8/Add.1	ACC/1996/PER/R.8 CCAQ(PER)/85/CRP.4
7. Training (a) Report of the Sub-Committee on Staff Training	ACC/1996/PER/R.5 & Add.1

(b) United Nations Staff College

Item	Document
8. The functioning of ACC and its subsidiary bodies - Note by the CCAQ secretariat CCAQ(PER)/85/INF.DOC.1 - Proposal by Cranfield ACC/1996/PER/R.9/Add.1	ACC/1996/PER/R.9 &
9. Security matters [This matter will be dealt with by correspondence]	
10. * Pensionable remuneration and pension entitlements	
10.1 Common staff assessment scale	ICSC/44/R.2
10.2 Formulation of recommendations to the General Assembly on:	
(i) Methodology for the determination of pensionable remuneration of Professional and higher categories;	
(ii) Methodology for the determination of pensionable remuneration of General Service and other locally recruited categories;	
(iii) Special index for pensioners	
10.3 Comparison of pensionable remuneration	ICSC/44/R.3
11. * Remuneration of the Professional and higher categories	
11.1 Evolution of the margin between the net remuneration of the United States federal civil service and that of the United Nations system	ICSC/44/R.4
11.2 Base/floor salary scale	ICSC/44/R.5
11.3 Report of the Working Group on the operation of the post adjustment system	ICSC/44/R.6

Item	Document
12. * Conditions of service of the General Service and other locally recruited categories	
(a) Preparation for the review of the General Service salary survey methodologies for headquarters and non-headquarters duty stations	ICSC/44/R.7
(b) Survey results: Vienna	ICSC/44/R.8
13. Other matters	
(a) Tier II standard for Human Resources Management Specialists	CCAQ(PER)/85/CRP.8
14. Adoption of the report of CCAQ	

Annex III

**Conclusions reached at CCAQ(PER)'s consultative
session in April 1996**

REMOVAL AND SHIPPING ENTITLEMENTS

8. In conjunction with its consideration of the mobility and hardship allowance, the Committee reviewed, on the basis of document ACC/1996/PER/R.2, those aspects of current removal and non-removal arrangements which were intrinsically linked to the administration of the allowance. Specifically, the Committee was invited to consider: abolishing the removal entitlement, increasing the non-removal shipping entitlement, expressing entitlements in cubic metres (by land) and as chargeable weight (by air), establishing a common air freight advance shipping entitlement not deductible from other entitlements, time limiting the non-removal element in the mobility and hardship matrix, eliminating restrictions on the contents of shipments and providing a lump-sum percentage advance for shipping entitlements.

9. The Committee welcomed the proposals to introduce fresh cost-effective approaches which reflected modern shipping practices. It decided, however, that the removal entitlement should be retained in order to maintain organizations' flexibility to respond appropriately to their diverse needs. It further decided that this entitlement should be expressed in terms of modern shipping methods (e.g. containers) which reflected cubic metres (for shipments by land) and chargeable weight (for shipments by air). It supported the introduction of an advance air shipment which would not be deductible from the removal entitlement. It concluded that organizations should give consideration to providing staff members or recruits with a cash advance in order for them to make their own arrangements for this advance shipment. It also supported the updating of the list of items which could be transported at the organization's expense as part of the removal. On the basis of these conclusions, it would ask a small group of the organizations' shipping experts, working with its secretariat, to make appropriate proposals to its next session in respect of the container size, the cubic metre entitlements, the conversion rates for these and the updating of what could and could not reasonably be included in the shipment.

10. The Committee did not feel able to reach a conclusion in respect of the secretariat's proposals for the non-removal entitlement without the benefit of a more precise determination of what would be the actual entitlements for staff with and without dependants, both in container and in cubic metre terms. It therefore requested its secretariat also to pursue these with the small group of shipping experts and report back to the next session. It hoped that it would then be in a position to make proposals on the related question of time-limiting the non-removal element in the mobility and hardship matrix. In informing ICSC of this, it would also caution the Commission that any change to the non-removal shipping entitlements could have an impact on the determination of the non-removal element in the mobility and hardship matrix .

11. The Committee also noted the need to review shipping entitlements related to home leave and family visit travel and asked its secretariat to look into these and to report thereon

to a future session of the Committee.

COST SHARING ARRANGMENTS FOR FICSA

12. The Committee considered a proposal by FAO to share among those organizations represented by FICSA, the costs of release of the President and General Secretary of FICSA. In providing information on those organizations which had, since 1980, released a staff member to hold one or the other of these two offices, FAO also recalled that some organizations' positions on the issue had changed over the years depending on whether or not their staff members were on release. FAO proposed that organizations represented by FICSA share on a proportional basis, according to the staff represented, the replacement costs borne by the organization(s) on the release of staff to hold the two offices in question.

13. In the discussion that ensued, it was recalled that the Committee had considered the matter on several previous occasions, the earliest being in 1980, but had not been able to agree to a permanent cost-sharing arrangement. The Committee had, however, agreed in 1986 that cost-sharing arrangements could be considered, but on a strictly ad hoc case by case basis, taking into consideration the amount of costs involved and the ability of the organization(s) concerned, based on their size or other factors, to absorb these. CCAQ(FB) had also requested that it be consulted whenever such ad hoc arrangements were being considered. The Committee, noting that this position had been reconfirmed only two years ago, considered that the situation had not changed materially since then and decided to reaffirm its previous position on the matter.

THE LEVEL OF THE EDUCATION GRANT FOR BEIJING (CHINA)

14. At the request of FAO, the Committee reviewed the current level of the education grant in Beijing. As a result of a sudden and significant increase in tuition and related fees at the International School of Beijing (ISB), the only available international secondary level educational institution at the duty station, UN community families were facing serious financial difficulties. In this context, the Committee took note of a copy of a proposal by UNDP to the Chairman of ICSC for the institution of a temporary administrative measure to increase the education grant ceiling for Beijing to at least the dollar level applicable in the USA (i.e. US\$16,900) to enable staff to cover a portion of the increase in tuition fees for secondary levels - set by ISB at some US\$17,000.

15. Under the approved methodology for monitoring the adequacy of the levels of the education grant, an adjustment was triggered when the expenditures of five per cent of claims in the currency area fell above the current maximum admissible level. The current maximum admissible level applicable to Beijing was the US dollar outside the USA (i.e. US\$13,000) - far short of the new fee level of US\$17,000. Acknowledging that UN system staff would, as a consequence, be required to bear a disproportionate burden of the costs of education, which would not be in line with the approved methodology, the Committee considered it necessary to propose an exceptional measure. It therefore agreed that its Chairman would write to the Chairman of ICSC to inform him of the conclusions of the Committee and that as part of the biennial global review of the grant, CCAQ would propose the establishment of a special rate in dollars with a maximum admissible level which would be appropriate for the new fee levels established by the ISB. It would also urge organizations to do their utmost to assist

staff members in Beijing who were required to make payments - which were substantial - to the ISB in advance of the academic year.

16. As to the reimbursable one-time building fee which was also being levied by the school, the Committee reaffirmed the approach used by organizations on previous, similar occasions, namely to advance to the institution in question or, if this were not possible, to the staff members in question, the equivalent of the fee on an interest-free loan basis.

MATTERS RELATING TO THE SECRETARIAT

17. In a private meeting, the Committee unanimously commended the three person secretariat as a whole for the exceptionally high standard of its work.

18. The Committee underlined the very valuable experience gained by the Secretary and the Assistant Secretary over recent years in all matters related to human resources management; this was a key element for the organizations working with ICSC.

19. In view of this particular experience, the Committee decided that the appointments of Mr. R. Eggleston (WHO) as Secretary and Ms. M.-J. Peters (ILO) as Assistant Secretary be extended without precedent for a further period of three years as of 1 July 1996 and 1 May 1996, respectively.

Annex IV

ACC Statement on Conditions of Service

1. The basic tenets of the UN Charter on the international civil service are unambiguous: “The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence and integrity” (Art. 101, para. 3).
2. The far-reaching transformations taking place in the world, and the unprecedented demands being placed on the United Nations system, have greatly widened the missions of United Nations organizations, and have led to an unparalleled expansion of the responsibilities of their staff. New, often very complex tasks, in insecure living/working environments especially for staff employed by humanitarian agencies, and mobility in both function and location, are the main features of the current work of the international service.
3. Now more than ever, in order to meet the increasing demands of the international community on the United Nations system, it is essential to have a revigorated international civil service of the highest calibre. ACC has repeatedly stressed the critical need, to this end, to restore competitive conditions of service, that would enable the organizations of the system, in their diversity, to attract and retain staff of such calibre.
4. Most organizations are operating at present under conditions of serious financial constraints and uncertainty. Many are undergoing major reforms and restructuring processes. Restoring competitiveness in conditions of service must be viewed as an integral part of this necessary process of reform, and a key requirement in the search for enhanced productivity and greater cost-effectiveness.
5. In its statement addressed to the General Assembly last year in connection with its examination of the report of the International Civil Service Commission (ICSC), ACC stressed that current uncertainties, in respect of both predictable financing and conditions of service, risked undermining meaningful reform and the effective delivery of programmes and services to Member States. ACC urged the General Assembly to adopt the recommendations of ICSC to bring the current margin of remuneration level to the mid-point of its range, and to restructure the salary scale to correct existing imbalances. At the same time, as part of a longer-term strategy to restore competitiveness, ACC members sought action to update the application of the Noblemaire Principle in order to reflect the current realities of the global labour market, and to introduce innovations that would help to motivate staff, reward quality of performance and better reflect the dynamics of organizational change.

6. While regretting the decision of the General Assembly to postpone action on these recommendations, ACC understands the circumstances surrounding this decision. ICSC has now completed the re-examination of its 1995 recommendations, as requested by the General Assembly. It has reconfirmed its technical recommendations related to the measurement of the margin and with regard to the national civil service comparator. The Executive Heads fully endorse these conclusions. They also strongly support the Commission's decision, as a consequence, to go forward with its recommendation to restore the margin of United Nations to US net remuneration to its desirable mid-point. Under the methodology approved by ICSC, this is the second year in succession that net remuneration remains below the lower limit of the range 110-120 established by the General Assembly in its resolution 40/244 of 18 December 1985.

7. In the period ahead, it appears increasingly important that there should be simultaneous movements on two fronts: the active, continuing pursuit of efficiency, enhanced performance, including managerial performance, and structural and management reform; and an equally active pursuit by ICSC of the measures required to restore competitive conditions of service through the rebuilding of the Noblemaire Principle. Both of these objectives are part of the established policy of the General Assembly. They both must be pursued vigorously and in a mutually reinforcing way.

8. The grave financial situation which the system is undergoing remains the utmost concern of the Executive Heads. The search for solutions to the financial crisis must be given the utmost priority by the membership. Meanwhile, at the level of the secretariats, no efforts are being spared towards improved management as well as cost containment, in the face of long-standing budgetary constraints. The system's record in this regard is well established. These efforts will continue in the period ahead. Key conditions for their ultimate success will be flexibility and innovation in staff management and the capacity to attract, motivate and retain the best performers, so as to continue to adhere to the tenets of the Charter with regard to the international civil service. ACC is confident that the membership, as represented in the General Assembly, will demonstrate renewed commitment and support for these essential efforts.

9. In urging that action on the ICSC recommendations be taken at the current session, members of ACC reiterate their responsibility for the management of the cost structure of their organizations, as stated in the ACC submission on the subject to the fiftieth session of the General Assembly. Also, as indicated in that statement, modalities and arrangements for implementation may need to vary from organization to organization, in consultation, as necessary, with the respective governing bodies, taking into account resource constraints while fully safeguarding programme resources.

10. By acting on the immediate measures recommended by ICSC, and giving clear direction towards the longer-term requirement of restoring the competitive edge of United Nations system remuneration, the General Assembly would give a clear signal of encouragement and support for ongoing efforts, within the framework provided by the common system, to retain staff of the highest calibre and enhance the motivation and performance of staff, as well as for the broader processes underway aimed at managerial reform and maximizing efficiency, productivity and cost-effectiveness, to which all Executive Heads are strongly committed.

11. Another requirement for progress on these fronts is the full participation of all partners in the ICSC consultative process. In a period of budgetary cutbacks and other measures affecting job security and conditions of service, and at a time of deepening reforms, when Executive Heads are endeavouring to introduce significant organizational change, it is particularly important that the concerns of staff be articulated at all levels, including that of ICSC. The absence of a dialogue with the Coordinating Committee for Independent Staff Unions and Associations of the United Nations System and the Federation of International Civil Servants Associations in ICSC constitutes an important gap in this regard and a serious obstacle to improving governance and management of change in the common system.

12. ACC would also wish to take this opportunity to reiterate its previous recommendations concerning other aspects of the functioning of ICSC.