

PART A: MATTERS FOR CONSIDERATION BY ACC

(a) Preparation for the discussion of specific agenda items in ACC

1. CCAQ(PER) has actively and forcefully engaged in pursuit of the mandates and requests made to it by ACC in the areas of the consultative process (the functioning) of ICSC, the application of the Noblemaire principle and the status of women. Moreover, some of these matters were pursued at a meeting of CCAQ as a whole which has been reported on separately.

2. CCAQ(PER) dedicated a large part of its eighty-third session to the consideration of proposals (a) to restore the competitiveness of remuneration in the UN common system and (b) to improve the functioning of ICSC. It prepared and adopted unanimously draft statements from ACC to the General Assembly on the consultative process of the Commission and the application of the Noblemaire principle. These are attached as annex V. The Committee's consideration of these issues at its eighty-third session is contained in paragraphs 21 to 60 and 78 to 84.

Strategy to restore competitiveness

3 In addition to these statements, CCAQ(PER) took steps to implement the following action plan which had been adopted at the meeting of CCAQ as a whole:

C each organization, through its governing body members, would make inputs to the Fifth Committee of the General Assembly in support of the above strategy to restore competitiveness;

C the CCAQ secretariat would help coordinate action to: (i) identify a lead agency in each location to develop contacts with Member States' representatives in that location; (ii) prepare briefing notes which would be supplemented by each of the organizations of the common system with details of the particular difficulties they faced as a result of the lack of competitiveness in remuneration levels; and (iii) explore the possibility of the participation of some executive heads or their representatives in briefings prior to the Fifth Committee's consideration of the 1995 ICSC report.

4. The Committee agreed that the following lead agencies would take the steps necessary to implement the plan in each location: Geneva - ITU; New York - UN; Rome - FAO; Vienna - IAEA. In this connection, the UN representatives would be working on whatever presentations the Secretary-General would make to the Fifth Committee on these issues. As part of this plan, the Committee was informed of preparation being made for the Director-General of IAEA to address the General Assembly; in that connection, it was anticipated that he would brief members of the Fifth Committee.

Advancement of women

5. In a statement adopted at its first session in 1995, ACC had reaffirmed its strong commitment to ensuring the advancement of women within the organizations of the common system. ACC had decided *inter alia* that “organizations will consider the introduction of measures which would lead to a climate conducive to the equal participation of men and women in the work of the organizations”. At its eighty-second session (April 1995), CCAQ(PER) held its first global discussion on work/family issues and focussed on those measures that would lead to a climate conducive to the equal participation of men and women in the work of the organizations. It concluded that the UN system had to regain its position as a model employer in its human resources policies and practices so as not to create social disincentives to work with a UN system organization. In order to foster an appropriate organizational climate and management attitude, it adopted a Work/Family Policy framework for ACC’s endorsement which is annexed as annex IV, putting forward the commitment of the organizations of the United Nations system to create and maintain a family-supportive work environment. It was foreseen that on the basis of this framework each organization would consider the best means for developing more specific organizational policies and guidelines.

6. A number of the issues raised by the ACC statement required initiatives by individual organizations and were under review by these organizations. Others requiring consideration by the Committee were taken up at its eighty-third session.

7. The Committee took note of the Beijing Declaration which *inter alia* stated that “The United Nations is continuing to deny itself the benefits of women’s leadership by their under-representation at decision-making levels within the Secretariat and the specialized agencies” and had called on the United Nations to “implement existing and adopt new employment policies and measures in order to achieve overall gender equality, particularly at the Professional level and above, by the year 2000...” and to “develop mechanisms to nominate women candidates for appointment to senior posts in the United Nations, the specialized agencies and other organizations and bodies of the United Nations system...”.

8. While reaffirming its commitment to strengthening efforts for achieving greater gender balance, the Committee also noted the difficulties in making large strides in an environment of severe financial belt-tightening and down-sizing. Given such an environment, the Committee recognized that prospecting efforts must be cost effective and carefully targeted to specific vacancies.

9. In this context, for those organizations which had not already introduced reciprocal arrangements, the treatment of all women staff members of common system organizations as internal candidates posed difficulties. Despite constraints, it was all the more important to maintain an impetus and to encourage the positive steps taken by a number of organizations. To this end, the Committee agreed to the following action-oriented approaches:

- C it endorsed with appreciation ITU's offer to work with the ICSC secretariat to make the ICSC Vacancy Announcement Bulletin available through INTERNET in order to broaden prospecting efforts. An appropriate briefing note for field presences of the Bulletin would be prepared which will include inter alia the ACC statement on the status of women;
- C recognizing that inter-agency mobility made good business sense by increasing staff members' experience and - especially at this time when a number of organizations are downsizing - facilitating the redeployment of qualified staff whose experience might otherwise be lost to the system, CCAQ agreed to study the feasibility of developing an inter-agency roster of staff members utilizing the latest in computer and artificial intelligence technology.

10. With regard to encouraging the further development of spouse employment opportunities, the Committee at its eighty-second session had recognized that spouse employment was a priority area for action; the lack of provisions in this area were increasingly an impediment to the recruitment and retention of quality staff of both genders. At the same time, a sense of realism must prevail: although the expectations of staff in this, as in other social policy areas, had to be taken into account, the organizations' mobility and rotational policies could not be held hostage to them.

11. The Committee, at its eighty-third session, also considered new avenues. In recent years there had been some ground-breaking efforts at increased cooperation among organizations to facilitate spouse employment. A pilot programme had been initiated by UNDP to appoint Spouse Employment Coordinators in a number of countries on a trial basis to assist actively the spouses of staff of the UN organizations assigned to the duty station. The Rome-based organizations (FAO, IFAD and WFP) recently had agreed on a common policy towards employment of spouses of Professional staff. The Committee would pursue and monitor the following approaches:

- C extending the type of cooperation agreements on spouse employment reached by the Rome-based organizations across the common system;
- C requesting lead organizations at each duty station through their most senior representative to initiate contacts in 1996 with (a) the host government with a view to (i) obtaining accurate information on the impediments to and possibilities for both remunerated and voluntary work at the duty station and (ii) exploring the possibility of liberalizing policies/legislation which may restrict the spouses/domestic partners of UN system personnel in engaging in remunerated or non-remunerated activities; and with (b) bilateral aid agencies and other international employers present at the duty station to determine the potential for organizing collaborative arrangements.

Security of locally-recruited staff

12. The question of the security of locally recruited staff in situations of serious insecurity had been raised on several occasions in the Committee as well as in ACC and at meetings convened by the Security Coordinator. CCAQ remained extremely concerned at the lack of response by Member States to ACC's 1994 request to the General Assembly to extend coverage of the Convention on the Safety of United Nations and Associated Personnel to all staff of the common system. It therefore decided to urge ACC that attention be drawn again to this matter this year.

13. Mindful that the organizations - as good employers - bore responsibility for the safety and security of all their staff and that all staff were covered under the security umbrella of the United Nations at all time, the Committee also endorsed a number of measures designed to upgrade the security preparedness for locally recruited staff (see paras. 95 to 102).

(b) Matters for endorsement or approval by ACC

14. ACC is invited to endorse, for submission to the General Assembly's fiftieth session, the draft statements which are attached in annex III on:

C the consultative process of the Commission;

C the application of the Noblemaire principle.

15. ACC is also invited to:

C endorse the work/family agenda policy framework in annex IV putting forward the commitment of the organizations of the United Nations system to create and maintain a family-supportive work environment;

C note the status of implementation of the ACC Statement on the status of women within the organizations of the United Nations system including the action-oriented approaches relating to the improvement of the status of women which the Committee intends to pursue.

16. CCAQ would further recommend that ACC should reiterate its concern that the wording of the Convention on the Safety of United Nations and Associated Personnel excluded most regular or emergency activities of the United Nations programmes and specialised agencies which do not constitute a United Nations operation established by the Security Council or the General Assembly to all staff of the common system.

(c) Date and place of the next meeting

17. The eighty-fourth session of CCAQ(PER) is scheduled to take place in Vienna in April 1996 in conjunction with the forty-third session of ICSC.

PART B: WORK OF THE COMMITTEE

INTRODUCTION

18. The Consultative Committee on Administrative Questions (Personnel and General Administrative Questions) held its eighty-third session at United Nations Headquarters in New York on 20-24 July 1995 (Part I of the session) and in Geneva on 20-22 September 1995 (Part II of the session). At Part I of the session, members of the Committee also attended the forty-second session of the International Civil Service Commission (ICSC), which took place from 24 July to 11 August 1995.

19. The session was attended by representatives of member organizations, the ICSC secretariat, the Federation of International Civil Servants' Association (FICSA), and the Coordinating Committee for International Staff Unions and Associations (CCISUA). The list of participants is attached in annex I.

20. Mr. J.-P. Baré (ITU) presided over the meetings. The agendas for both parts of the session as adopted by the Committee are contained in annex II.

PART I OF THE SESSION

This portion of the report relates to the items considered at the first part of the Committee's session which took place in New York from 20-24 July 1995.

CONSULTATIVE PROCESS IN THE COMMISSION

21. Further to its consideration of the consultative process and the functioning of the Commission at its eighty-second session, the Committee took note of the outcome of the meeting of senior common system administrators which had met on 1-2 June 1995 in Geneva. The special meeting had adopted a number of proposals aimed at enhancing the tripartite nature of ICSC as well as the plan of action for actively pursuing these issues directly with Member States. The findings of the meeting had been endorsed by ACC and would be further pursued by ACC at its second regular session of 1995. The Committee also considered a note by the secretariat of ICSC (ICSC/42/R.2) proposing a number of measures intended to improve the operational efficiency of ICSC and its secretariat.

22. The senior administrators had decided to put forward three alternatives for structural reform: (a) the creation of a tripartite body made up of members appointed by each of the three consultative partners - Member States, executive heads and staff; (b) within Article 4 of the ICSC Statute, revision of the selection process so as to provide for nominations for a defined number of seats directly from the executive heads and staff bodies (the ten, three, two formula); or, also within Article 4 of the Statute, to provide for a tripartite search mechanism for the early identification and screening of all candidates meeting a pre-determined profile. Under alternatives (b) and (c), members of the Commission would continue to be appointed by the General Assembly as at present. The meeting had also agreed to support the additional reforms which the Committee had adopted at its eighty-second session to improve ICSC's efficiency and effectiveness:

- a management audit of the ICSC secretariat;
- delegating greater authority to the ICSC Bureau or to a group of Commission members on issues which do not require deliberation or action by the Commission as a whole;
- introducing task forces or focus groups on particular issues into the ICSC framework;
- increasing the participation of the consultative partners in the work of the ICSC secretariat and in the preparation of ICSC documents;
- streamlining the ICSC work programme, the setting of agendas and the scheduling of meetings;
- restoring the ICSC secretariat as a centre of excellence.

23. The Committee decided that, at this stage, it would inform the Commission of the results of the meeting of the Senior Administrators, in particular of the three alternatives for structural reform. In order to prepare appropriately for ACC's second regular session in 1995, it would develop more guidance on these alternatives at its resumed session.

24. The Committee considered that, while the ideas put forward in the note by the ICSC secretariat (ICSC/42/R.2) went in the right direction, they failed to go far enough in terms of the changes which it believed were necessary if the Commission was to function most effectively and efficiently and if the consultative process was to become a reality. The current working methods of the Commission were intimidating for all the parties and tended to inhibit the free exchange of ideas and views.

25. The General Assembly had declared that, apart from a few issues which had to be dealt with on an annual basis, it would only consider personnel matters, and hence the bulk of common system issues, every other year. The change in the General Assembly's time-table enabled the work and meeting schedule of the Commission to be viewed in terms of a two-year cycle. Hence, in the year which was not one in which a major report was to be submitted by ICSC to the Assembly, the Commission should take the fullest advantage of having the opportunity to study and analyse all aspects of issues which were before it. Some degree of informality and free exchange should mark the meetings which were to be organized in a non-reporting year.

26. The Committee supported the ICSC secretariat's proposals with respect to the delegation of authority and the appointment of task forces and work groups which went along the lines of some of its own proposals. As to the programme of work and management of agendas, it expressed appreciation that arrangements for consultations to draw up the Commission's agenda for 1996 had already been initiated. The Committee also expressed satisfaction that arrangements for the management audit of the ICSC secretariat were underway. It was anticipated that specialists from the Canadian Government would begin this work by end summer.

27. The review of the definition of core common system issues was a matter of critical importance. The CCAQ secretariat should therefore review with the ICSC secretariat how to proceed. In any event, it would appear desirable to set aside a day at the Committee's resumed session for an analysis of the matter with input from the Executive Secretary and the heads of divisions of the ICSC secretariat. Requests which emanated from the UN General Assembly had to be reconciled with those emanating from the governing bodies of other organizations, or from ACC or the staff bodies. It was hoped that such consultations would lead to a better balance in responding to the requests of all parties.

28. Recalling that the Committee had promoted greater rotation and mobility of the staff as a means of ensuring excellence, it noted from the ICSC document that past efforts to obtain candidatures of staff members from common system organizations had been largely unsuccessful. The question should be asked as to why so few had applied for what were challenging jobs. There could be many answers which had no bearing on the relative attractiveness or unattractiveness of New York as a duty station. One answer might be related to perceptions of the ICSC's functioning. In order to achieve the goals it had set, the Committee pledged renewed efforts to increase the rotation of common system personnel management specialists to the secretariat of the Commission. It was particularly important that senior posts in the secretariat were staffed, in part, with personnel who had recent hands-

on experience of the dramatically changing circumstances in the organizations. Such comments should not be considered as criticisms of current incumbents. Much research and developmental work had been undertaken by the ICSC secretariat which was of the highest order. Several significant studies under consideration at the current session had received such acclaim. Nevertheless, for this work to be fully accepted and implemented by one of ICSC's major clients, the organizations, it would be helpful to have the advice within the secretariat of some staff who had very recent and practical experience with one or more organizations. In the event that a more rigorous rotation of staff on a longer-term basis could not be achieved, it would be worthwhile to revert to a procedure of the early days of the Commission, namely the assignment of staff members of organizations for short defined periods, such as three months, for specific project-based work assignments.

EXAMINATION OF THE APPLICATION OF THE NOBLEMAIRE PRINCIPLE

Identification of the highest paid civil service: grade equivalencies with the Swiss civil service and remuneration comparisons with the German and Swiss civil services

29. In the context of ICSC's study of the application of the Noblemaire Principle, the Committee considered documents ICSC/42/R.6, parts I and II, which reported the total compensation comparisons between the remuneration packages applicable for the United States and the Swiss civil services. In ICSC/42/R.7, parts I and II, the Committee took note of the results of the total compensation comparisons between the United States federal civil service and the German civil service, total compensation comparisons between the remuneration packages applicable for the United States and the German civil services. Detailed information on expatriate allowances and benefits granted to non-diplomatic Swiss and German civil servants assigned to work abroad was also provided in the documents.

30. Noting the extensive work that had been completed on the grade equivalency studies, the Committee expressed appreciation for the quality of the work that had been undertaken by the ICSC secretariat, particularly in view of the delays that had been experienced in obtaining the necessary data for the Swiss civil service.

31. In reviewing the background to the issues at hand, attention was drawn to the need to underline that the methodology for the identification of the highest paid civil service had been established by the Commission in 1991 and had been endorsed by the General Assembly in that year in operative paragraph 1 of section VI of resolution 46/191/A. Since then, the General Assembly had referred to the methodology in resolution 47/216, section C and resolution 48/224, Section A and in resolution 49/223, section III A.

32. The arguments which had led to the adoption of this methodology for comparing civil services on a total compensation basis were all the more valid today. Take-home pay was clearly not the only measure of the value of emoluments. The value of health insurance provisions and pension arrangements in particular were very important factors, both in recruiting and in retaining staff. Advantages or disadvantages resulting from such social security arrangements had to be taken into account in one way or another in any comparison. As was evident from the analyses, there were significant differences in the manner in which the Swiss and German civil services indemnified their employees in the social security area.

This would be equally true if any other group of potential comparator civil services had been selected. For this reason, a total compensation study was the only means to measure such significant differences.

33. As to the measurement of cost-of-living differences between Washington and Bern and Washington and Bonn, the Committee expressed support for the choice of Runzheimer - the consultants - which added coherence to such calculations, given that Runzheimer was already responsible for the comparisons between New York and Washington. Moreover, unlike many other readings, such as those produced by the European Union, Runzheimer's methodology had the distinct technical advantage of being reversible.

34. Notwithstanding the possibility of reviewing some unique aspects such as medical health care costs which might not have been fully captured in the analysis, the study of the Swiss civil service had shown that it clearly was not going to be the highest paid, although the Committee noted that the level of expatriate allowances and benefits granted to non-diplomatic Swiss civil servants assigned to work abroad were significantly higher than those of the United Nations common system.

35. The Committee confirmed its support for the work that had been undertaken on the equivalency studies with both the Swiss and German civil services. Exchanges carried out with the German civil service gave greater credibility to the results, though it was regrettable that, to date, the German authorities had insisted on applying their own methodology for comparison purposes. This methodology largely involved a simplistic comparison of organization structures and job titles and a ranking of the jobs within these structures. This approach was not acceptable for the common system. Only a job classification approach such as that applied by the common system could provide the sound basis for matching jobs of comparable worth and comparing levels between civil services.

36. The Committee noted that the total compensation comparison with the German civil service had shown that its remuneration package was 110.5 per cent of that of the US civil service making it the highest paying civil service. Whilst both the German and the US civil services provided very good pension arrangements to their employees, there was a significant difference between them; that in the United States was partly funded by the federal civil servants themselves; German civil servants made no contribution to their pension fund. This difference had large consequences on the remuneration package.

37. The Committee emphasized that a gap between the remuneration of the highest paid civil service and that of the United Nations common system was in derogation of the Noblemaire principle. As decided by ACC, it would urge ICSC to make an upward adjustment of the margin range in order to begin to close the large gap between the United Nations remuneration and this highest paid civil service.

Grade equivalencies with the United States
federal civil service: validation of grade
equivalencies and the procedure for the elimination
of dominance

38. At its forty-first session, the Commission had taken a number of decisions regarding the establishment of grade equivalencies between the United Nations staff and the United States federal civil servants in comparable positions and also as regards the inclusion of

specific remuneration elements in margin calculations. In ICSC/42/R.8 and its Addenda, the Committee considered updated grade equivalencies with regard to two additional United States government agencies, the outcome of the validation exercise conducted with the US federal civil service and four technical options for reducing the dominance of the General Schedule vis-à-vis the special pay systems in margin calculations and their relative impact on the margin.

39. The Committee noted that as a result of the validation exercise the grade levels of the posts in the Office of the Comptroller of the Currency and in the Office of Thrift Supervision had been confirmed. Four options for reducing dominance were put forward: (a) log weighting, (b) equal weights, 75th percentile and (d) best-paid system.

40. The Committee recalled that it had on numerous occasions expressed the view that the Noblemaire principle would only be upheld by making use in margin computations of the highest level of pay in the comparator civil service (i.e. the best-paid system). Although such an approach which would eliminate dominance had not been accepted by ICSC in the past, the Committee would reiterate its position.

41. Because the Commission at its forty-first session had decided that dominance should be reduced, and presumably not entirely eliminated, the Committee also examined carefully the other options.

42. While the relative advantages and disadvantages had been clearly set out in the document, the Committee considered that each option should also be examined according to the following criteria:

- (a) the method should lead to results which were relatively stable over time;
- (b) the method should be relatively easy to run in terms of the computations and calculations required; and
- (c) the method should be readily understood.

43. Taking such criteria into account, as well as the advantages and disadvantages reported by the ICSC secretariat, the Committee concluded that the use of the 75th percentile, though relatively well known in connection with General Service salary surveys, remained a difficult calculation which could lead to unusual swings in results from one reading to another. Log weighting was a difficult concept to grasp as had been recognized by the Commission on several occasions. The Committee agreed therefore that, for ease of understanding, and hence hopefully a reduction in the number of arguments surrounding its use, it would urge the Commission to adopt the option of equal weighting.

Reference data on the World Bank

44. In ICSC/42/R.9, the Committee reviewed an updated analysis of grade equivalencies and related remuneration comparisons between the United Nations and the World Bank which confirmed the large gap between World Bank remuneration levels and those of the UN common system. The final results showed that the net salaries of the World Bank were approximately 39 per cent above those of the common system, two points higher than those reported at the Commission's forty-first session.

45. Recalling also the studies carried out by its own secretariat, the Committee underlined that the remuneration levels of the Work Bank group were significantly greater than those of the UN common system in every location in the world. Similarly, the World Bank pension and health insurance provisions were also better than those of the staff of common system organizations everywhere in the world. Also, as it had noted at its eighty-second session, the World Bank group had introduced extensive family-support policies and programmes and was a better employer in these areas as well.

46. The similarity of the work being carried out by the World Bank and by the organizations of the common system had been demonstrated in the studies undertaken by CCAQ. Yet, some members of the Commission had challenged the relevance of comparisons with the World Bank. In a note by the United Nations and CCISUA (ICSC/42/R.9/Add.1), further testimony of the Bank as a direct competitor for staff was provided which also supported the need for remuneration comparisons.

Supplementary payments

47. The Committee considered updated information in ICSC/42/R.10, parts I and II, on payments made by some Member States to their nationals working for the common system. Information had been solicited from two sources: (a) Member States, as to whether they were engaging in supplementary payments and (b) the organizations, in respect of action taken to deter staff members from accepting supplementary payments. Eight organizations had issued specific instructions to staff, informing them that supplementary payments contravened staff regulations. Only a third of Member States contacted had replied to ICSC's inquiry. Notwithstanding previous expressions of concern, some Member States had continued the practice.

48. The practice of making supplementary payments was one more indicator of the uncompetitiveness of common system pay levels. It was, however, not the only indicator; others were more significant. Nonetheless, the Committee decided to urge the Commission to make a strong statement to the Assembly with respect to this regrettable practice which was inconsistent with the provisions of the staff regulations and of the Charter of the United Nations. Organizations which had not already done so agreed to issue, or reissue (as appropriate), instructions to staff regarding the unacceptability of supplementary payments and to monitor the situation and report thereon to the Commission as they deemed necessary. The Committee also questioned whether the information received from the German Government meant that its practice of making supplementary payments had stopped entirely or whether it had been replaced by a system similar to that of the United States whereby such payments were made to full time civil servants on their return.

49. The Committee noted that, in parallel with the persisting practice of making supplementary payments, there was growing recourse to other types of arrangements. Among these was that by which governments made available the services of nationals on a reimbursable or non-reimbursable loan basis. To the extent that the officials concerned were not exclusively answerable to the executive head of the employing organization, their employment raised questions similar to those involved in supplementary payments. Moreover, because such arrangements were increasingly being resorted to, it was evident that the salary scale was becoming less monolithic. The Committee considered that it would be

useful to take a look at the plethora of arrangements in the context of any retreat organized on the structure of the salary scale (see paragraph 35).

Structure of the salary scale

50. The General Assembly, by its resolution 47/216,¹ had invited the Commission to continue to keep under review the structure of the salary scale at all levels of the Professional and higher categories taking into account, *inter alia*, the overall level of the margin and the imbalance between the margin at different levels. In its resolution 48/224,² the Assembly had considered that the imbalance in the remuneration ratios at the different grade levels should be addressed. Since 1989, CCAQ had repeatedly drawn attention to the imbalance of the net remuneration ratios at different levels of the Professional and higher categories and had called for these imbalances to be corrected at the time of a real salary increase. In ICSC/42/R.11, the ICSC secretariat put forward various basic considerations and options pertaining to the structure of the salary scale within the overall context of the study of the application of the Noblemaire principle. To facilitate the discussion, the Committee also had before it a note prepared by the CCAQ secretariat (CCAQ(PER)/83/Note 1), outlining the background and issues for consideration in respect of the structure of the scale.

51. The Committee reiterated past concerns about the salary scale in terms of (i) the negative impact it had on career progression and promotion and (ii) compression at the top of the scale which *inter alia* did not provide adequate recognition for managers. While, in the long term, the Committee would have to make sure that the scale fully reflected the dynamics of organizational change and properly rewarded quality performance, in the short-term, every opportunity had to be taken to improve the structure of the scale.

52. Action to adjust the structure of the scale was dependent upon other factors, in particular, upward adjustments to the absolute levels of the scale itself. For this reason, the Committee, in the past, had recommended to the Commission, and the Commission had adopted the position, that the revision of the construction of the pay scale should take place whenever a real pay increase was being implemented. In view of the probability of a real adjustment for implementation in 1996, improvements in the structure of the scale should be undertaken within the limitations of the overall increase.

53. Three alternatives for structural adjustments were proposed by the secretariat. These would change inter-grade differentials and step levels and would move towards a less compressed scale, which would also lessen the emphasis currently given to seniority. Welcoming the comprehensive nature of the secretariat's proposals, the Committee was nevertheless concerned that there were a number of drawbacks in terms of the implementation of the proposed scales. In particular, there was the need to ensure a certain balance between the potential increases at the lower and higher grade levels. Those at grade levels who were unlikely to receive any upward adjustments in pay under certain alternatives would find it difficult to accept the validity of increases of 10 per cent or more for others, no matter how justified such increases might be.

¹ Section II.G, paragraph 3.

² Section II.B, paragraph 3.

54. With this concern for balance in mind, the Committee decided to propose to the Commission another alternative which had been developed together with the ICSC secretariat and which would increase all grade and step levels by at least the amount of the upward movement of the base/floor salary scale. The revised scale was based on the premise that there would be something in the order of a 7 point upward adjustment of the margin from approximately 108 to 115. This upward adjustment would be accounted for through three elements: adjustment at P.4 step VI in keeping with the movement of the comparator by 3.1 points; a further adjustment of the margin by two points to accommodate the new scale construction to alleviate compression at the top of the scale; and the balance, 1.9 points (7 minus 5.1) remaining, would be incorporated within the post adjustment system. Such an approach would ensure that the mid-point of the base floor remained in alignment with the current comparator.

55. In the course of the discussion it became evident that there were a number of issues related to the structure of the salary scale and its applicability to the current programmes of work of the organizations which would warrant in-depth consideration. These issues included a re-examination of rank-in-job versus rank-in-person approaches, performance rewards for individuals and/or teams, broad-banding versus increased number of grade levels, linked grades, appropriate compensation for contracts of shorter duration. The Committee concluded that a useful way of taking an initial look at these issues would be through a retreat which might be organized in conjunction with a forth-coming session.

Application of the Noblemaire principle:
overview and recommendations

56. In ICSC/42/R.12, the Committee considered options developed and put forward by the ICSC secretariat in light of the preceding issues as a means of addressing the General Assembly's request to study all aspects of the application of the Noblemaire Principle with a view to ensuring the competitiveness of the UN system.

57. The Committee noted that it had addressed ICSC on this issue on a number of occasions, and had provided it with significant technical documentation confirming that common system remuneration levels were uncompetitive. This was contrary to the basic premise of the Noblemaire principle. There was an enormous gap between common system remuneration levels and those of other international organizations, which based their pay on market considerations, as well as between the levels which the comparator would be paying if the United States Pay Agent's proposals in respect of the United States federal civil service had been implemented. Absolute precision as to the extent of the gap was not the issue: by any measure, it was significant - at least 30 per cent and up to 50 per cent or more in some cases. Realistically, whatever remedial measures ICSC proposed at this stage would not close the gap completely.

58. CCAQ, and now the ICSC secretariat, had provided the technical justification for action. ACC was extremely distressed at the delay. It was vital that ICSC finally heed the executive heads' appeals for assistance in carrying out their mandates. The situation was extremely serious and brooked no further delay. Any requests for further studies or research would be viewed as mere delaying tactics.

59. The Committee believed that the application of the Noblemaire principle had to be revised to take into account not only the highest paying national civil service but also, in

some measure, the private sector in the country of the highest paying civil service and the remuneration levels of the other international organizations, which were the common system's competitors. The margin range should be revised in order to obtain, over an appropriate period, remuneration levels reflective more of the other international organizations and of the private sector in the country of the comparator civil service.

60. The Committee expressed a number of technical concerns. One of these was the compatibility of the Flemming and the Noblemaire principles. Under Flemming, General Service remuneration was established by direct reference to the private sector and other parastatal competitors, whereas under Noblemaire, Professional remuneration was set in relation to a comparator national civil service. If the compensation levels of that national civil service followed the market, pay for both categories of United Nations common system staff would tend to march in step. If, as in the United States federal civil service, the determination of civil service pay levels was subjected to budgetary or political considerations, the synergy would be dislocated. This was exactly what had happened in the common system. As a result, organizations reported problems with overlap or pay inversion. As well as reflecting other competitors, such as the World Bank Group and the Coordinated Organisations, common system remuneration had to be revised to reincorporate the concept of private sector remuneration, thus restoring the balance between Professional and General Service pay.

REMUNERATION OF THE PROFESSIONAL AND HIGHER CATEGORIES

Base/floor salary scale

61. In ICSC/42/R.3, the Commission secretariat reviewed the level of the base/floor salary of the UN salary scale in light of the net increase in comparator federal civil service remuneration levels by 3.089 per cent effective 1 January 1995. As a result, an increase of the base/floor salary scale with effective from 1 March 1996 was proposed.

62. In conformity with the position previously enunciated by ACC, the Committee fully supported the proposal for the adjustment of the base/floor salary scale. The Committee noted that the increase in the base/floor was linked to adjustments of the mobility and hardship, separation and hazard pay allowances. The manner in which the revision of the base floor was to be introduced, however, was closely connected with consideration of the structure of the salary scale and was therefore considered under that agenda item (see paras. 30-35).

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

63. In ICSC/42/R.4, the Committee took note of the revised estimated margin for 1995 of 109.8 which reflected the inclusion of the 1995 grade equivalency results, a revised New York/Washington cost-of-living differential as well as a newly estimated post adjustment classification for New York later this year. It also reflected the additional pay systems which the Commission had approved for inclusion and all relevant methodological decisions taken at its forty-first session, except that relating to the reduction of dominance. A revised 1995

estimate would therefore be recalculated once a method for reducing dominance had been chosen.

64. The Committee also took note of the information provided in the document in respect of the non-application of the Federal Employees Pay Comparability Act (FEPCA). As the Committee had feared, FEPCA, to all intents and purposes, was dead.

Comparison of pensionable remuneration

65. The Committee noted in ICSC/42/R.5 that the margin estimate for pensionable remuneration of the United Nations staff in grades P-1 to D-2 and their counterparts in the United States federal civil service in Washington, D. C. for the period 1 January to 31 December 1993 was 108.1, after taking account of the New York-Washington cost-of-living differential.

66. The average income replacement ratios for the 36-month period ending on 31 December 1995 was 54.9 and 55.6 per cent for the United Nations and for the comparator civil service, respectively.

67. In recent years, the Committee had remarked on the persistent difference between these two ratios and recalled the information provided by the ICSC secretariat that two factors were affecting the relationship between the UN and the US, namely:

(a) that the UN net to gross relationship reflected the taxation system of the seven headquarters duty stations while only US taxes were reflected on the US side of the equation, and

(b) that pensionable remuneration was determined by the application of staff assessment - on a progressive basis - 46.25 per cent of UN common system salaries.

68. The Committee reiterated its concern at the apparent distortion that was being created as a result of the grossing up procedures. It decided therefore to raise the matter again with the Commission in order that the appropriate analyses could be prepared on this aspect of the pensionable remuneration methodology in good time for the comprehensive review of that methodology and for the determination of pensionable remuneration in 1996.

Post adjustment questions: Report of the Working Group on the Operation of the Post Adjustment System

69. The Committee considered the report of the tripartite Working Group (ICSC/42/R.13) which had met just prior to the session to examine *inter alia* problems associated with the operation of the post adjustment system and the impact of currency fluctuations.

70. The Committee endorsed the Working Group's call for serious in-depth studies of a number of complex technical issues dealing with international cost-of-living comparisons and the examination of systems akin to the post adjustment system being applied by other similarly situated organizations. Sufficient time, however, should be allowed for a thorough study of the issues identified by the Working Group and for the preparation of technical papers which would facilitate a productive meeting of the Group.

71. The Committee supported in principle the proposal to introduce a five per cent consumption element into the out-of-area component, to the extent that this demonstrated solidarity among organizations towards duty stations that were more affected than others, such as Montreal and Rome.

RESPONSE TO THE GENERAL ASSEMBLY REQUESTS IN RESOLUTIONS 48/224 AND 49/241

72. The General Assembly's resolution 48/224³ had requested that the Commission "ensure that place-to-place surveys conducted for all headquarters duty stations are fully representative of the cost of living of all staff working in the duty station". At its eighty-second session, CCAQ had concluded that before deciding on the technical way of dealing with the matter, the Commission should examine carefully the legal basis and the political implications of making a major change in the methodology for determining post adjustment. In ICSC/42/R.14, the Committee considered an analysis of some of the legal and other aspects provided by a consultant retained by the ICSC secretariat. The Committee also had before it a note submitted by the ILO containing the views of its Legal Adviser on the consultant's report.

73. The main issue of whether a component of take-home pay should be determined by reference to the country of the duty station or the country of residence or both had conceptual, political, legal and technical facets which surrounded the question of the equalization of purchasing power for staff serving at one duty station whilst residing in a sovereign state different from that of the duty station. The advice provided by the consultant failed to move the investigation of the matter forward. It was noted that, based on the views of the Legal Adviser to the ILO, the consultant's report appeared to contain a number of flaws. The views of the legal advisers of some other organizations were likely to be forthcoming.

74. The Committee considered that rather than resorting to a consultant it would have been more appropriate to have insisted with the United Nations that its Legal Counsel provide the necessary legal opinion on this matter or, alternatively, that a group of legal counsels from different organizations might have been invited to provide a corporate opinion.

75. The matter had become even more delicate in that, should the Commission and the General Assembly decide to move forward on such a basis, some organizations might decide that, for legal reasons, they would not be able to implement any measures adopted by the General Assembly and would have to so report to their governing bodies. The Committee therefore decided that it would express very serious concern for any precipitous action by ICSC or the General Assembly which would lead to expensive, time-consuming litigation across the common system.

³ Part II, section G.

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

76. Matters relating to the General Service salary surveys in New York, Geneva and London, items 6.1 through 6.3 of the agenda, were dealt with separately by the administrations at each respective location.

OTHER BUSINESS

Arrangements for the forthcoming
place-to-place surveys

77. The Committee noted concerns raised by FICSA in its letter of 11 July 1995 concerning its perceived shortcomings in ICSC's arrangements for the forthcoming round of place-to-place surveys at headquarters' duty stations. The Committee also noted that those concerns might lead to legal appeals against the results of the place-to-place surveys.

PART II OF THE SESSION

This portion of the report relates to the items considered by the Committee at the second part of its session which was held in Geneva from 20-22 September 1995.

PREPARATIONS FOR ACC'S SECOND REGULAR SESSION OF 1995

78. The Committee reviewed two key areas in which ACC was expecting to receive input from CCAQ at its second regular session (October) in 1995: (1) the review of the application of the Noblemaire principle and (2) the consultative process of ICSC. These matters had also been reviewed at the Special Meeting of Senior Administrators of CCAQ which had met in June 1995. In a note by the secretariat (ACC/1995/PER/R.13), the Committee was provided with a summary of (a) the proposals put forward by the Meeting of Senior Administrators, (b) the conclusions reached by ICSC on these issues at its forth-second session (July/August 1995) and (c) the comments of the secretariat thereon.

79. Arising out of its discussion, the Committee approved two draft statements for submission by ACC to the General Assembly. These are attached as annex III. In the discussion, the Committee noted ICSC's action in respect of each of the points raised by the Meeting of Senior Administrators as follows:

CCAQ Senior Administrators recommendation	ICSC recommendation
an increase in remuneration levels, with immediate effect, in order to bring the current margin to around the mid-point of the range	such an increase to be effected in two stages (March and July) in 1996
an upward adjustment of the margin range itself in order to begin to close the gap between United Nations remuneration and a range of national and international, public and private comparators	ICSC had not recommended an upward adjustment of the margin range. In its Annual Report it asked the General Assembly "to determine which of the diverse views expressed in the Commission with regard to the need for further improvements in competitiveness such as use of an expanded margin range might reasonably be supported". In essence, the ICSC's conclusion was to continue to apply the Noblemaire principle by reference to the current comparator although that comparator was generally deemed not to be the highest paying national civil service. However, the Commission also reported to the Assembly that, "the superior conditions of the German civil service <u>vis-a-vis</u> those of the US federal civil service could be considered as a reference point for margin management".
an overall adjustment in remuneration resulting from both these measures which would serve to launch the strategy towards a return to competitiveness	an upward adjustment of pay levels was recommended to restore the mid-point of the current margin range

restructuring the salary scale in order <u>inter alia</u> to correct the serious imbalances at its upper levels	such a recommendation - with effect from 1 March 1996 - was being made by ICSC
the development of a longer-term strategy which was consonant with the spirit of the Noblemaire principle to ensure over time the competitiveness and stability of common system remuneration and which, in the long run, would replace the traditional pay-setting approach of ICSC by a process which motivated staff, rewarded quality and better reflected the dynamics of organizational change	ICSC had not made any specific recommendations in this regard. However, there appeared to be on the part of some members a willingness to entertain proposals which would introduce more radical approaches to pay setting

80. The Committee considered that the proposals being made by ICSC fell dramatically short of those called for by the meeting of Senior Administrators, especially in terms of launching a strategy which would begin to close the gap between UN remuneration and that of competitor organizations. The ICSC had failed to provide any response or guidance as to an appropriate updated interpretation of the Noblemaire principle, despite its findings in respect of the highest paying civil service and the more competitive pay levels of the multilateral financial and aid agencies. Moreover, even with respect to the traditional, more limited application of the Noblemaire principle, ICSC had abdicated its role by calling on the General Assembly to resolve what it termed “diverse views expressed in ICSC”. It had not made any recommendation to adjust the margin range upward to allow UN remuneration to keep up with what was the highest paying national civil service, Germany. These concerns would be fully reflected in ACC's statement to the General Assembly.

81. Turning to the plan of action which had been adopted by the Special Meeting of Senior Administrators, the Committee agreed that the following lead agencies would take the steps necessary to implement the plan in each location:

C	Geneva	-	ITU (Chairman CCAQ)
C	New York	-	United Nations (Vice-Chairman CCAQ)
C	Rome	-	FAO
C	Vienna	-	IAEA

82. Regarding the question of the participation of executive heads in briefings of members of the Fifth Committee prior to discussion of ICSC's Annual Report, the Committee was informed of preparations being made for the Director-General of IAEA to address the General Assembly and in that connection would speak with members of the Fifth Committee. To the extent possible, the Committee agreed that direct informal contacts with Member States' representatives should begin at the earliest opportunity. It was hoped that the upcoming ACC session would also provide the occasion for executive heads to meet with Fifth Committee members in an informal setting and for the executive heads to express broad support for the needed improvements in competitiveness and the reforms of ICSC.

83. In respect of the consultative process of ICSC, the Committee reiterated all the proposals for structural reform put forward by the meeting of Senior Administrators in the Statement from ACC to the General Assembly. The proposal to create a tripartite search committee would, however, be applicable even in the event that the General Assembly did not accept any other structural proposals. This would be reflected in the statement. The Committee agreed also to maintain the proposals it had previously recommended in respect

of the limitation of terms of Commission members and of the need to set targets to achieve a better gender balance among the members of the Commission.

84. In connection with the request from the Senior CCAQ to develop a profile to more precisely define and bring up to date the qualities required of Commissioners, the Committee reviewed a draft prepared by its secretariat. In general the Committee could agree to the proposal as a framework which could be used in developing a final product, together with the Member States and the staff. Thus, this criteria framework (attached in annex V) could serve as a starting point for discussions on the competencies to be applied in the screening and selection of Commission members.

MATTERS ARISING OUT OF ACC'S ADOPTION OF A STATEMENT ON THE STATUS OF WOMEN

85. At its eighty-second session (April 1995), the Committee had reviewed ACC's statement on the status of women. In adopting that statement, ACC had agreed to "keep the matter under consideration" and had requested CCAQ "to report to ACC on implementation at regular intervals". A number of the issues raised by the ACC statement required initiatives by individual organizations. Those requiring further consideration by the Committee were focused upon based upon a note prepared by its secretariat (ACC/1995/PER/R.14), namely:

- C the treatment of all women staff members of common system organizations as internal candidates in applying for vacant posts in any organization of the system;
- C the utilization of field presences to prospect for women candidates in all disciplines;
- C the development of a system for inter-agency mobility of women staff to increase their experience; and
- C the encouragement of further spouse employment opportunities.

86. The Committee took note of the Beijing Declaration which inter alia stated that "The United Nations is continuing to deny itself the benefits of women's leadership by their under representation at decision-making levels within the Secretariat and the specialized agencies" and had called on the United Nations to "implement existing and adopt new employment policies and measures in order to achieve overall gender equality, particularly at the Professional level and above, by the year 2000..." and to "develop mechanisms to nominate women candidates for appointment to senior posts in the United Nations, the specialized agencies and other organizations and bodies of the United Nations system..."

87. While reaffirming its commitment to strengthening efforts for achieving greater gender balance, the Committee also noted the difficulties in making great strides in an environment of severe financial belt-tightening and down-sizing. Increasing the proportion of women was constrained now more than ever by the current move of resource constraints, staff cuts and recruitment freezes. Given such an environment, the Committee recognized that prospection efforts must be cost effective and carefully targeted to specific vacancies.

88. In this context for most organizations which had not already introduced reciprocal arrangements, the treatment of all women staff members of common system organizations as internal candidates posed difficulties. It was also noted that the granting of internal candidate status only to female staff of other organizations might be challenged from a legal

standpoint. Despite constraints, it was all the more important to maintain an impetus and to encourage the positive steps made by a number of organizations. To this end, the Committee agreed to pursue the following action-oriented approaches:

- C noting that the ICSC secretariat was distributing the Vacancy Announcement Bulletin to the UN system field presences through electronic means, the Committee endorsed with appreciation ITU's offer to work with the ICSC secretariat to make it available through INTERNET in order to broaden prospection efforts. UN information centres and the UN system resident coordinators, as well as other heads of field offices, would thus be provided with a tool to play a more active role in identifying recruitment sources and potential women candidates. An appropriate briefing note for recipients of the Bulletin would be prepared by the CCAQ secretariat in collaboration with the ICSC secretariat. This would include inter alia the ACC statement on the status of women and lists of potential prospection sources.
- C recognizing that inter-agency mobility made good business sense by increasing staff members' experience and - especially at this time when a number of organizations are downsizing - facilitating the redeployment of qualified staff whose experience might otherwise be lost to the system, the Committee agreed to study the feasibility of developing an inter-agency roster of staff members utilizing the latest in computer and artificial intelligence technology.

89. With regard to encouraging the further development of spouse employment opportunities, the Committee at its eighty-second session had recognized that spouse employment was a priority area for action; the lack of provisions in this area were increasingly an impediment to the recruitment and retention of quality staff of both genders. At the same time, a sense of realism must prevail: although the expectations of staff in this, as in other social policy areas, had to be taken into account, the organizations' mobility and rotational policies could not be held hostage to them.

90. The Committee considered new avenues and recognized that in recent years there had been some ground-breaking efforts at increased cooperation among organizations to facilitate spouse employment. A pilot programme had been initiated by UNDP to appoint Spouse Employment Coordinators in a number of countries on a trial basis to assist actively the spouses of staff of UNDP and other UN organizations assigned to the duty station. The Rome-based organizations (FAO, IFAD and WFP) recently had agreed on a common policy towards employment of spouses of Professional staff. The JCGP agencies were closely collaborating on spouse employment and exchange of staff through the sub-group on personnel and training.

91. The Committee agreed to pursue and monitor the following approaches:

- C extending the type of cooperation agreements on spouse employment reached by the Rome-based organizations across the common system;
- C requesting lead organizations at each duty station through their most senior representative to initiate contacts in 1996 with (a) the host government with a view to (i) obtaining accurate information on the impediments to and possibilities for both remunerated and voluntary work at the duty station and (ii) exploring the possibility of liberalizing policies/legislation which may restrict the spouses/domestic partners of UN system personnel in engaging in remunerated or non-remunerated activities; and

with (b) bilateral aid agencies and other international employers present at the duty station to determine the potential for organizing collaborative arrangements.

WORK/FAMILY AGENDA

(a) Work/Family agenda policy statement

92. Arising out of the discussion at its eighty-second session of a work/family agenda, the Committee adopted for ACC's endorsement the policy framework contained in annex IV putting forward the organizations' commitment to create and maintain a family-supportive work environment. It was foreseen that on the basis of this general framework, which provided useful policy direction, each organization would consider the best means for developing more specific organizational policies and guidelines as would fit each organization's structure and mandate within current constraints.

(b) New forms of work organization: compressed work week

93. As had been reported to CCAQ's eighty-second session, traditional patterns in the organization of working arrangements - both in terms of time and place - had been found to be a major source of work-family conflict and an important cause of stress, absenteeism and lost productivity and, in many instances, loss of staff to other employers with more flexible policies. More and more employers were therefore providing increased opportunities for making choices in working arrangements.

94. The Committee took note with appreciation of a research paper prepared by its secretariat (ACC/1994/PER/R.15/Add.1) on one of the more common forms of alternative working arrangements: compressed work schedules. These focused on arrangements by which statutory weekly hours were scheduled over fewer days. The document highlighted the advantages and disadvantages of compressed work schedules and offered some practical guidance.

SECURITY OF LOCALLY-RECRUITED STAFF

95. The Committee considered a paper prepared by its secretariat (ACC/1995/PER/R.16) relating to ensuring the security of locally recruited staff in situations of serious insecurity. The question had been raised on several occasions in the Committee as well as in ACC and at meetings convened by the Security Coordinator. UNDP had also reviewed these matters internally and in consultation with a number of organizations. ACC had discussed ways of taking a more systematic approach to the matter; discussions in CCAQ and in the Security Coordinator's meetings had centred inter alia on the distinction between those permanent and temporary staff members covered by and not covered by evacuation arrangements (i.e. those whom the organization was obliged to repatriate and those for whom there was no such obligation). The Committee was also provided with a FICSA note proposing (a) the establishment of a panel to review the legal basis for the evacuation of locally recruited staff and (b) the decentralization of the decision-making process to Resident Coordinators regarding relocation and evacuation.

96. The Committee emphasized that the organizations - as good employers - bore responsibility for the safety and security of all their staff and that all staff were covered under the security umbrella of the United Nations at all time.

97. While recognizing that the upgrading of security preparedness for locally recruited staff was of the highest priority, the Committee did not consider that it would be appropriate, nor possible, to attempt to determine - in advance - what responses could best be applied to meet all situations; the circumstances surrounding each "crisis" differed greatly. This was definitely not an area in which one prescription could be provided to remedy all situations. It decided, however, to endorse as a general rule, the following courses of action - many of which were already included in the Security Handbook - and to give them widespread publicity in an operations manual:

- C Designated Officials should undertake to enhance the consultative role of the representatives of other agencies as part of the security team at the duty station
- C locally recruited staff should be drawn into the design and preparation of security plans to meet potential crises. To the maximum extent possible, it was also evident that locally recruited staff should also be involved in carrying out warden and area coordination activities;
- C accurate lists of locally recruited staff members and their eligible family members should be regularly maintained by Resident Coordinators;
- C proper UN identification should be maintained for local staff;
- C as part of its precautionary record keeping activities, Resident Coordinators' offices should ensure that duplicate records of key data on staff and family members were kept;
- C as precautionary logistical arrangements, Resident Coordinators' offices should investigate and make specific proposals in respect of some or all of the following:
 - (i) determination of appropriate in-country safe haven sites and relocation options;
 - (ii) the establishment of mini-dispensaries for in-country safe-haven sites;
 - (iii) the provision of tents, communication equipment, gendarmerie service, sanitary facilities, water supplies, stocking of food and petrol reserves.
- C in the event of a Phase III and IV security situation and in furtherance of the provisions contained in the Security Handbook, Resident Coordinators should be provided with authority to make salary advances of up to three months in hard currency.

98. The United Nations indicated that it was not in a position to support the provision with regard to the currency of payment of such salary advances.

99. The Committee suggested that the Office of the UN Security Coordinator establish a list of "early warning" countries where action should be the most energetic in ensuring that such measures were in place.

100. In addition, the Committee concluded that:

- the attention of the Designated Officials should be drawn again to that section of the Security Handbook (paragraphs 62 et seq.) which provided them with discretionary authority to request authorization for the UN Security Coordinator temporarily to locate individual staff members (internationally and locally recruited) and their eligible family members to alternative locations within or outside the duty station in life-threatening situations;
- ACC should be invited to repeat its 1994 request to the General Assembly to extend coverage of the Convention on the Safety of United Nations and Associated Personnel to all staff of the common system;
- the Office of the UN Security Coordinator be requested to consider establishing a list of countries for which the measures outlined in paragraph 14 should be given the highest priority;
- organizations be requested to give particular attention to providing: (a) stress counselling for all staff who had been in situations of severe insecurity and (b) post emergency assistance such as help in tracing family members.

101. In addition to the above practical arrangements, the Committee agreed that organizations should give consideration in such circumstances to allowing locally recruited staff contracts to run for at least six months following the date of declaration of security phases III to IV, irrespective of their expiry date, in situations where the contracts could normally have been expected to be extended unless specifically barred under the terms of the contract. Such arrangements would ensure that no precipitous action were taken before the longer-term ramifications of the security situation were known.

102. The Committee also discussed the question of the evacuation of locally-recruited staff, and concluded that it would not be appropriate to make any change in the provisions currently in place in the Security Handbook. Nor could it support the FICSA proposals for the creation of a legal panel to review the legal basis for evacuation or for a greater delegation of authority to Resident Coordinators for decisions regarding relocation and evacuation.

THE FUNCTIONING OF CCAQ

103. In response to the Committee's decision at its eighty-second session in April 1995 to take an initial look into some aspects of the functioning of CCAQ(PER), the Committee considered in a paper prepared by its secretariat (ACC/1995/PER/R.17) providing preliminary comments on: (a) the periodicity of the Committee's sessions and the work programme related to those sessions; (b) the role of the members of the Committee; (c) the secretariat; (d) the standing sub-committees and the meetings of Staff Counsellors; (e) ad hoc working groups/task forces; (f) human resources data.

104. Members of the Committee and others participating in the session appreciated the opportunity offered to discuss this issue. The corporate nature of CCAQ and the extent to which it helped organizations, in particular those with relatively small offices of human resources management, made it a cost-effective body. Every effort should be made to

capitalize on all CCAQ's resources. There was, however, always room for reviewing efficiency and productivity and for ensuring that the services provided continued to be cost-beneficial and relevant to evolving client requirements. The secretariat's initiative in putting forward ideas on this matter was especially welcome and had additional merit to the extent that it was linked with the current review of core common system issues and the functioning of ICSC.

105. The Committee acknowledged that this was an initial review of the matter which should be ongoing; the issues raised merited more reflection and consultation. As a preliminary step, its efficiency could be maximized by relying more on its secretariat so that the frequency and length of meetings might be reduced. Specifically, the Committee agreed that:

- C to the extent possible, the numbers and the length of sessions should be kept to the minimum necessary for the efficient functioning of the Committee; the sessions should therefore continue to be organized in conjunction with ICSC sessions; it would therefore not always be possible to submit papers to ICSC in advance because of the associated additional cost this would entail;
- C within the confines of its sessions, informal working groups of specialists should be arranged; in this context, meetings of organizations with field concerns would be organized;
- C efforts should be made to develop a lead agency approach to major issues; lead agencies would work closely with the secretariat to develop position papers for the Committee's consideration and to make other preparations for discussion in the Committee;
- C the roles and functions of the two standing Sub-Committees should be reviewed by the Sub-Committees and then by CCAQ as a whole;
- C the secretariat should review with organizations which new data elements could be introduced into the CCAQ data base;
- C retreats or workshops had proved useful and should continue to be organized at the time of a session when the subject matter warrants;
- C whenever feasible, teleconferencing should be considered as an alternative to holding a meeting;

106. The Committee also recognized that, in respecting the differences between organizations' needs, it need not always seek for commonality or arrive at consensus for its own sake. The coherence of its positions would also be fostered through an appreciation of these basic differences between organizations.

107. Key to the effectiveness of the Committee's work was the need to continue to take innovative steps in the Committee's work programme, the timetabling of its sessions and other events. The Committee agreed to revert to the matter in light of developments relating to the functioning of ICSC.

CORE COMMON SYSTEM ISSUES

108. The Meeting of Senior Administrators had proposed that ACC provide ICSC, in the context of Chapter III of the ICSC Statute, with an analysis of the global core issues on which ICSC should concentrate, as opposed to those issues which were more limited in scope, or which were organization or location specific. The Committee considered a note prepared by its secretariat (ACC/1995/PER/R.18) setting forth from an historical perspective a description of the common system and a preliminary review of the perceived problems with its current functioning. The Committee also recalled the discussions it had had on the matter leading to a statement to ACC in 1985.

109. Recalling that the discussion of this matter had arisen largely as a result of the crisis of confidence with ICSC and the need to improve its functioning, the Committee recognized that, over the years, the tendency had been for ICSC to apply the same regulatory and detailed treatment of all issues under its consideration. At the same time, the Committee also acknowledged the very helpful guidance the ICSC secretariat had provided in the development of a number of personnel policy issues. The problem lay not so much within the ICSC secretariat's work, but with the manner in which the Commission had tended to turn recommendations into quasi-mandatory decisions and subsequently to reproach organizations for their non implementation.

110. The Committee had a wide ranging discussion during which a number of points were raised, including the difficulty of making a clear distinction as to whether issues were "hard" or "soft" or even as between different articles of the ICSC Statute. This complicated the task of determining what were and were not core and non-core issues and confirmed the difficulties that had been experienced in 1984/1985. Clearly, salary, post adjustment and pension matters were core issues. The human resource management area covered Article 14 of ICSC's Statute were generally non-core. Some issues such as merit pay could be non-core human resources management at the development stage, but as soon as they were linked to the pay system they became core issues.

111. Arising out of the discussion, it became clear that there were basically two divergent views: a majority considered that ICSC and its secretariat had to play a leadership role in the human resources management area by providing intellectual leadership, distilling best practice, carrying out research and providing technical advisory services in partnership with the organizations. Given the crisis of confidence and in light of the current financial environment and budgetary restrictions, a few others believed that the optimal way forward would be for ICSC to restrict its work to remuneration issues for which it was a recognized regulatory body based on its technical function. Were ICSC to take on an enlarged policy/advisory role, the functions would change from regulatory and technical ones and the structure issue would then have to be reviewed in this new light.

112. At all events, current vacancies in the ICSC secretariat provided the opportunity for the structure of the secretariat to be redesigned so as to distinguish better its operational function from its research and development role. This was particularly opportune in the light of (a) the package of proposals for reform of ICSC and its secretariat currently being put forward (see paras. 21-28) and (b) the management audit of the secretariat which would shortly be undertaken.

113. Noting that ICSC would itself review this matter at its next session, the Committee decided that it would revert to this matter at its eighty-fourth session on the basis of a draft document by its secretariat.

OTHER BUSINESS

HIV/AIDS in the UN Workplace

114. The Committee considered a note by FICSA (ACC/1995/PER/R.19) presenting the Federation's concerns with respect to what it believed to be discrepancies in implementation of ACC's policy on HIV/AIDS and proposing a series of measures to ensure greater UN system-wide understanding and adherence to the policy. The note also requested organizations to give consideration to improving facilities and arrangements for HIV/AIDS-affected staff members, especially in field locations.

115. While it was not CCAQ's role to police individual organization's adherence to the ACC policy, the Committee agreed:

(a) that its secretariat should draw the attention of organizations to their responsibilities in respect of the implementation of ACC's policy;

(b) that the views of the Medical Directors and those of the Inter Agency Advisory Group (IAAG) should be sought in respect of all the matters raised in FICSA's note;

(c) to request its secretariat to prepare a note on the matters raised by FICSA which should also provide information on initiatives taken by organizations in support of the ACC policy;

(d) to revert to the matter at its eighty-fourth session also in the context of its further discussion of medical standards.

Annex I

LIST OF PARTICIPANTS - PART I

Chairperson: Mr. J.-P. Baré
Vice-Chairperson: Mr. K. Walton

Representatives of member organizations

United Nations:	Mr. Keith Walton, Chief, Compensation and Classification Service, OHRM
	Mr. Julio Camarena, Compensation Officer, Compensation and Classification Service, OHRM
	Mr. Andrei Abramov, Compensation Officer, Compensation and Classification Service, OHRM
UNDP:	Mr. Bruce Frank, Chief, Policy, Compensation and Administration, Division of Personnel
	Ms. Carleen Gardner, Deputy Director of Personnel
	Mr. Mark Farnsworth, Policy Officer, Division of Personnel
UNICEF:	Ms. R. Gbeu Brown-Bickel, Classification Officer
UNRWA:	Mr. Joseph Acar, Director, Administration and Human Resources

UNHCR: Mr. Daniel Conway, Director,
Division of Human Resources Management

Mr. Duncan Barclay,
Senior Policy Coordination Officer,
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UNFPA: Ms. Linda Sherry-Cloonan, Chief,
Personnel Branch, DFPA

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

Ms. Helen Schebesta, Chief,
Salaries and Pensions Section

FAO: Mr. Charles F. Juge, Chief,
Personnel Policy & Entitlements Service

WFP: Mr. Peter Lassig, Deputy Director,
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UNESCO: Ms. Haruko Hirose, Director,
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Mr. Jonathan Atta Kusi, Director,
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ICAO: Mr. Dirk-Jan Goossen, Chief,
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Employment Policy and Administration

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

WMO: Mr. Mubarak Husain, Director,
Resource Management Department

IMO: Mr. Roger G. Jones, Director,
Administration Division

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Mr. Hassan Bahlouli, Senior Officer,
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Mr. Warren Sach, Chief,
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Mr. Fred Ordelt, Senior Compensation Officer,
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Mr. Ton Vermeulen, Compensation Officer,
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Ms. Enid Steward-Goffman, Chief,
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Ms. Johanne Girard, Personnel Policies Officer,
Personnel Policies Division

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

FICSA: Mr. Wayne R. Dixon, President

Mr. Andre Heitz, Vice-President

Mr. Guy Sneyers, General Secretary

Mr. Alvaro Da Silva Durao, Executive Committee Member

Mr. Mahbub Ul Alam, Member for Asia,

Mr. E. Rolando Chacon, Member for America

CCISUA: Mr. Peter Frank, 2nd Vice-President

Ms. Christina Mercader-Steele, Research Officer

Mr. Lou McCaul, Representative

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Secretary:	Mr. Roger Eggleston
Assistant Secretary:	Ms. Mary-Jane Peters

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- Ms. Diana Russler, *
Senior Security Coordination Officer
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- UNDP: Mr. Bruce Frank, Chief,
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- UNHCR: Mr. Daniel Conway, Director,
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- Mr. Martin Loftus, Chief,
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OAS: Ms. Hélène Laverdière, Director,
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Annex II

AGENDA AS ADOPTED ON 20 JULY 1995

	<u>Item</u>	<u>Document</u>
1.	<u>Adoption of the agenda</u>	ACC/1995/PER/R.10
2. *	<u>Consultative process in the Commission</u>	
	- Results of the 1-2 June meeting of the senior administrators (Senior CCAQ)	ACC/1995/PER/R.11
	- Paper by the ICSC secretariat	ICSC/42/R.2
3.	<u>Examination of the application of the Noblemaire principles</u>	
*	3.1 Identification of the highest paid civil service: grade equivalencies with the Swiss civil service and remuneration comparisons with the German and Swiss civil services: also detailed information regarding expatriate allowances and benefits granted to civil servants assigned to work abroad - Papers by the ICSC secretariat	ICSC/42/R.6, parts I and II ICSC/42/R.7, parts I and II
*	3.2 Grade equivalencies with the United States federal civil service (validation of grade equivalencies; procedure for the elimination of dominance; also detailed information regarding expatriate allowances and benefits granted to federal civil servants assigned to work abroad) - Paper by the ICSC secretariat	ICSC/42/R.8
*	3.3 Reference data on the World Bank - Paper by the ICSC secretariat	ICSC/42/R.9
*	3.4 Supplementary payments	

- Paper by the ICSC secretariat ICSC/42/R.10,
parts I & II
- * 3.5 Structure of the salary scale
- Paper by the ICSC secretariat ICSC/42/R.11
- * 3.6 Application of the Noblemaire principle:
overview and recommendations
- Paper by the ICSC secretariat ICSC/42/R.12
- 4. Remuneration of the Professional
and higher categories
- * 4.1 Base/floor salary scale
- Paper by the ICSC secretariat ICSC/42/R.3
- * 4.2 Evolution of the margin between the net
remuneration of the United States federal
civil service and that of the United
Nations system
- Paper by the ICSC secretariat ICSC/42/R.4
- * 4.3 Comparison of pensionable remuneration
- Paper by the ICSC secretariat ICSC/42/R.5
- * 4.4 Post adjustment questions:
Report of the Working Group on the
operation of the post adjustment system
- Paper by the ICSC secretariat ICSC/42/R.13
- 5. * Response to the General Assembly requests in
resolutions 48/224 and 49/241
(definition of the geographical area of
a duty station, etc.)
- Paper by the ICSC secretariat ICSC/42/R.14

	<u>Item</u>	<u>Document</u>
6.	<u>Conditions of service of the General Service and other locally recruited categories</u>	
*	6.1 Survey of best prevailing conditions of service for the General Service and related categories at New York:	
	(i) Trades and crafts;	ICSC/42/R.15
	(ii) Security service	ICSC/42/R.16
*	6.2 Survey of best prevailing conditions of employment for the General Service and related categories at Geneva - Paper by the ICSC secretariat	ICSC/42/R.17
*	6.3 Preparations for the survey of best prevailing conditions of employment at London - Paper by the ICSC secretariat	ICSC/42/R.18
7.	<u>Other business</u>	

AGENDA AS ADOPTED ON 20 SEPTEMBER 1995

	<u>Item</u>	<u>Document</u>
1.	<u>Adoption of the agenda</u>	ACC/1995/PER/R.12/Rev.1
2.	<u>Preparations for ACC's second regular session of 1995</u> - Note by the CCAQ secretariat	ACC/1995/PER/R.13 CCAQ(PER)/83/CRP.6
3.	<u>Matters arising out of ACC's adoption of a statement on the status of women</u> - Note by the CCAQ secretariat	ACC/1995/PER/R.14
4.	<u>Work/family agenda</u> - Note by the CCAQ secretariat	ACC/1995/PER/R.15 and Add.1
5.	<u>Security of locally-recruited staff</u> - Note by the CCAQ secretariat	ACC/1995/PER/R.16
6.	<u>The functioning of CCAQ</u> - Note by the CCAQ secretariat	ACC/1995/PER/R.17
7.	<u>Core common system issues</u> - Note by the CCAQ secretariat	ACC/1995/PER/R.18
8.	<u>Other business</u>	
	(i) HIV/AIDS in the UN workplace - Note by FICSA	ACC/1995/PER/R.19
9.	<u>Adoption of the report</u>	

Annex III

DRAFT STATEMENTS FROM ACC TO THE GENERAL ASSEMBLY

I. THE CONSULTATIVE PROCESS OF THE COMMISSION

1. In resolution 49/223, the General Assembly requested the staff bodies, the organizations and the Commission "to review with all urgency how the consultative process of the Commission can best be furthered". In ACC's view:

- there is a crisis of confidence with ICSC evidenced inter alia by the non-participation of the staff bodies in the work of the Commission;
- to overcome this crisis, radical and far-reaching reforms of the structure, the mandate and the working methods of the Commission are essential;
- a key element of these reforms is the selection of members with the requisite skills and competencies to enable this unique body to take the bold and positive initiatives necessary to keep pace with global trends in human resources management.

2. ACC has already endorsed a number of proposals for reform; these were presented to ICSC's 1995 sessions. However, apart from some essentially procedural recommendations relating to the effectiveness of ICSC's working arrangements, these proposals did not find favour in the Commission.

3. In ACC's view, reform of the ICSC cannot be put off any longer. The Commission's failure to come to grips with the Assembly's request that it examine all aspects of the Noblemaire principle is but the most recent example of this technical body's inability to respond effectively to the General Assembly and its other constituent partners. ICSC's work needs to become more focussed and in tune with the changing needs of the UN common system; its members must demonstrate both special technical skills and the broad managerial capabilities appropriate to the changing role of the organizations.

4. In terms of structural reform, ACC urges the General Assembly to consider two options designed to enhance the partnership between the Commission and its interlocutors.

5. The first of these would provide for a Commission made up of members appointed directly by the three consultative partners - Member States, Executive Heads and staff. Under this option:

- the proportion of members appointed by each of the groups could range from a straight third to a model wherein the Member States would elect 50 per cent and the Executive Heads and staff 25 per cent each.

Introduction of this reform would require revision of the ICSC Statute.

6. The second alternative would not require statutory revision. Under this option the appointment procedures would be revised in such a way as to allow for 10 of the 15 members

of the Commission to be appointed from candidates proposed by Member States. Three would be appointed by the General Assembly from among a list of at least six candidates put forward by ACC and two would be appointed by the General Assembly from among a list of at least four candidates put forward by the staff bodies;

7. In either case, provision could be made to reflect the common system nature of ICSC's work to appoint a proportion of members from among governing bodies other than the General Assembly on the basis of a formula that would provide adequately for the representation of different agencies.

8. In any event, ACC would also forcefully urge that a tripartite search mechanism be put in place which would enable the consultative partners together to identify and screen candidates at an early stage. Such a mechanism would greatly strengthen the consultative process foreseen under Article 4 of the Statute. It could easily be introduced without revision of the ICSC Statute or Rules of Procedure.

9. ACC further proposes that:

(a) given the common system implications of the Commission's work, and the unique nature of the selection process, it is crucial that the General Assembly, through the regional groups, take steps to ensure that the selection of members is given special attention and treated separately from arrangements for appointment to subsidiary bodies;

(b) the terms of appointment of Commission members be limited to two times four years;

(c) in furtherance of its resolutions on the advancement of women, the General Assembly set targets for achieving gender balance among Commission members.

II. THE APPLICATION OF THE NOBLEMAIRE PRINCIPLE

1. ACC had occasion three years ago to welcome the General Assembly's 1992 decision "to request ICSC to study all aspects of the Noblemaire principle with a view to ensuring the competitiveness of the UN common system".

2. Last year, ACC deplored the delays in completing this long overdue study. ICSC has now reported on this matter. ACC deeply regrets that ICSC's report falls far short of the standards of objectivity, technical soundness, independence and impartiality which the Assembly and ACC have a right to expect under the Statute.

3. The General Assembly's 1992 request broke new ground. It sought a reappraisal of the principles on which United Nations compensation philosophy was based. For the executive heads, the General Assembly's request responded *inter alia* to their repeated calls to restore the competitiveness of conditions of service of the Professional and higher categories of staff.

4. In urging ICSC to complete this vital study, ACC referred to three key elements on which it wished ICSC to focus:

(a) the updating of the application of the Noblemaire principle to reflect *inter alia* the current realities of the global labour market;

- (b) the competitiveness of the remuneration system with bilateral and other multilateral financial and aid agencies and the public and private sectors of national economies;
- (c) a longer-term strategy which is consonant with both the spirit and modern application of the Noblemaire principle and which, over time, would motivate staff, reward quality of performance and better reflect the dynamics of organizational change.

5. As immediate improvements, ACC called on ICSC to provide for:

- (a) an increase in remuneration levels, with immediate effect, in order to bring the current margin to around the mid-point of the range;
- (b) an upward adjustment of the margin range itself in order to begin to close the gap between United Nations remuneration and a range of national and international, public and private comparators;
- (c) restructuring the salary scale in order to correct existing imbalances.

6. ACC is conscious of the financial climate which has emerged recently in which ICSC's recommendations are being made; the Executive Heads are well aware of the constraints facing some, though not all, of the organizations. The updating of common system remuneration is, however, long overdue: in terms of overall costs, the financial implications of ICSC's current proposals are modest (less than 2 per cent of total costs) when considered against the overall level of the budget of the common system organizations and the need to attract staff of the required calibre. In such a budgetary climate where staff are asked to do more, the General Assembly's approval of these recommendations are crucial for the delivery of the programme objectives expected by Member States.

7. In the event, the Commission's recommendations have addressed only two of these six concerns, namely the current margin range and the structure of the salary scale. ACC fully supports ICSC's recommendations to restore the mid-point of the UN/US net remuneration margin in 1996 and to restructure the base/floor salary scale. However, ACC gravely regrets that ICSC's proposals go no further.

8. In its report to the General Assembly, ICSC has concluded that:

- on the basis of a total compensation comparison, the German civil service is higher paid than the US federal civil service, the current comparator, by about 10 per cent;
- there is a gap of some 40 to 50 per cent between UN common system net remuneration and that of the OECD and the World Bank, respectively;

These are sound technical findings based on methodologies endorsed by the General Assembly. Yet ICSC has abdicated its responsibility to make recommendations as to how the Noblemaire principle should be updated to take account of these findings, including changing the comparator civil service.

9. Rather, having referred to the German civil service as a reference point for margin management and to the comparisons with OECD and the World Bank as reference indicators for the competitiveness of the UN system salaries, ICSC has left the General Assembly "to determine which of the diverse views expressed in the Commission with regard to the need

for further improvements in competitiveness, such as use of an expanded margin range, might reasonably be supported". In other words, ICSC has been unable to achieve a consensus on the appropriate technical parameters to be applied, for consideration by the General Assembly. Consequently, the General Assembly has been deprived of the required technical recommendation on this matter.

10. By deciding to recommend the retention of the current comparator and without applying the results of its other technical findings, ICSC's actions are in derogation of the Noblemaire principle itself and its application to the United Nations common system. Little attempt has been made to respond to ACC's request to review that principle in the modern global setting and to replace an outdated pay-setting approach by a more modern competitive, stable remuneration system which better reflects organizational needs.

11. In this light, ACC calls on the General Assembly:

(a) to adopt ICSC's recommendations to restructure the salary scale and to re-establish the margin at the mid-point in 1996;

(b) (i) to make appropriate adjustments to the margin range, so as to reflect fully its findings with regard to the highest paid national civil service and thereby to begin to close the gap between UN remuneration and that of other national and international comparators;

(ii) to request ICSC to propose an updated application of the Noblemaire principle which takes account of all aspects of the global labour market.

Annex IV