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Chairman: Mr. Omar LOUTFI (Egypt).

In the absence of the Chairman, Mr. Calogeropoulos-Stratis (Greece), Vice-Chairman, took the Chair.

AGENDA ITEM 51

United Nations salary, allowance and benefits system: report of the Salary Review Committee (A/3209, A/3505 and Corr.1, A/C.5/691 and Add.1 to 3, A/C.5/L.440) (*continued*)

CONSIDERATION OF THE REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS (A/3505 AND CORR.1) (*continued*)

Point 11 (i) (*continued*)

1. Mr. RAJAPATHIRANA (Ceylon) asked for clarification of the vote at the 576th meeting on point 11(i). It had been pointed out by the Rapporteur of the Salary Review Committee towards the end of the meeting that the Fifth Committee's failure to agree on point 8 (a) might necessitate a consequential alteration to the recommendation in point 11 (i). The final text of the recommendation, as given in the summary record of the meeting appeared to run counter to the Fifth Committee's intention that staff members recruited at the P-1 level to Professional posts other than those which the Salary Review Committee had contemplated transferring to the General Service category should be promoted automatically after two years' satisfactory probation. The text said that such staff "should be eligible" for promotion—a wording which, in his view, might cause difficulties of interpretation at a later stage. His delegation, in voting on that point, had understood that the promotion concerned would be automatic.

2. Mr. ROBERTSON (Director of Personnel) agreed that the wording was not clear and that the words "should be eligible" did not convey the sense of the Fifth Committee's decision. There had been no intention, in formulating the text of, impairing the principle of automatic promotion after two years' satisfactory service or of involving the Secretary-General's discretion: the sole object was to eliminate any confusion with Professional staff whose transfer to the General Service category had been suggested by the Salary Review Committee. The text should be amended as follows:

"The Committee approved the recommendation of the Salary Review Committee that staff recruited

at the Assistant Officer level (P-1) into Professional posts, other than those which the Salary Review Committee had contemplated transferring to the General Service category, should normally be promoted after two years' satisfactory probation."

3. Mr. MENDEZ (Philippines) said he had wished to make the same point as the representative of Ceylon and was satisfied with Mr. Robertson's explanation.

4. Mr. EL-MESSIRI (Egypt) requested further information on two points in the Salary Review Committee's report: the suggestions that the normal two years' probation might be extended to three if necessary in particular cases and that junior entrants who failed to complete their probation satisfactorily should be terminated (A/3209, para. 78). He wondered whether those points conflicted with the recommendation as worded by the Director of Personnel.

5. Mr. ROBERTSON (Director of Personnel) explained that the Secretary-General and executive heads had made no comments on those recommendations, thus implying their agreement with them. The intention of the first was to cover cases where recruits had perhaps made a bad start, owing to language difficulties, poor health or other reasons, and had been transferred to another type of work before the end of the two years' probation in order to see whether they met requirements more satisfactorily. The second supervisor might feel that a little more time was required in order to make a final assessment. The second recommendation was designed to meet cases where probationers were unable to meet requirements and ought in fairness to themselves to be terminated as soon as possible in order to allow them to make their career elsewhere.

The Committee unanimously approved the recommendation of the Salary Review Committee concerning the promotion of career staff at the P-1 level, as formulated by the Director of Personnel.

Point 11 (ii)

6. Mr. MENDEZ (Philippines), Mr. BRAVO CARO (Mexico) and Mr. POLLOCK (Canada) supported the Advisory Committee's recommendation that the present base scales for the P-2 level should be maintained, i.e., a minimum of \$4,800.

7. Mr. HUNN (Rapporteur of the Salary Review Committee), explaining the basis for the Review Committee's recommendation to reduce the minimum to \$4,600, said that a junior recruit starting at P-1, step 1, would receive \$3,600, rising to \$3,800 at the end of the first year. On promotion to P-2, he would receive \$4,800, or an increase of \$1,000. That seemed a little over-generous, and the Salary Review Committee had felt that a smaller increment of \$800 would be justified. It did not, however, feel very strongly on the subject, and would not challenge the Advisory Committee's recommendation.

The Committee unanimously approved the Advisory Committee's recommendation that the present base scale

for the P-2 level should be maintained, i.e., a minimum of \$4,800.

Point 6

8. In reply to Mr. BENDER (United States of America), Mr. HUNN (Rapporteur of the Salary Review Committee) confirmed that the Salary Review Committee's recommendation applied only to career staff and not to staff which that Committee had contemplated transferring to the General Service category.

9. Mr. POLLOCK (Canada) said he assumed that there would be fewer cases of such transfers at the higher levels, and suggested that the point might be covered in the Fifth Committee's report rather than in a drafting amendment.

10. Mr. ROBERTSON (Director of Personnel) agreed that that could be done.

The Committee took note of the recommendation of the Salary Review Committee that the P-2 and P-3 levels might possibly be coupled.

Point 11 (iii)

11. The CHAIRMAN explained that there was general agreement on the desirability of introducing longevity increments, but there were differences of opinion between the Salary Review Committee and the Secretary-General as to the levels to which such steps should apply. In addition, there was disagreement as to the conditions under which they would be paid. The Advisory Committee had supported the Secretary-General's view, subject to two conditions. The Secretary-General, in his statement at the 573rd meeting, had advocated an extension of the system in view of the considerable number of staff members in grades P-1 to P-4 who were blocked at the maximum of their grade. The Salary Review Committee's arguments had been further developed by its Rapporteur in document A/C.5/L.440.

12. Mr. MENDEZ (Philippines) supported the Advisory Committee's recommendation as a reasonable and practical alternative.

13. Mr. HUNN (Rapporteur of the Salary Review Committee) said that document A/C.5/L.440 had been prepared in response to the request for fuller information. The original problem raised by the Secretary-General was that of enabling good average staff members to progress steadily towards acceptable salaries. The Salary Review Committee had agreed with that objective. The three-fold solution it had suggested, the first two parts of which had already been approved by the Fifth Committee, was for promotion from the P-1 to the P-2 level after two years' probation, the coupling of the P-2 and P-3 levels and the introduction of longevity steps at the top of the P-3 level. The Salary Review Committee had recognized that there was a case for improving the position of staff members who were eligible for promotion to the P-4 level but who were unable to enter it for various reasons beyond their control or that of the organization concerned. The addition of two steps, at two-yearly intervals, would provide an adequate solution. It had been proposed that longevity increments should be extended to other levels and even that they should apply to all grades. Such a proposal would have the effect of considerably raising salary scales and would involve most of the staff reaching the maximum of their grade. The system would be virtually inoperable, and the Salary Review Committee had regarded the proposal as carrying alarming implications.

14. Mr. CHECHETKIN (Union of Soviet Socialist Republics) commended the cogent arguments of the Rapporteur of the Salary Review Committee. The recommendation now under discussion was of far-reaching importance. Not least amongst its implications was the effect it would have on the principle of geographical distribution, which it was the desire of the Fifth Committee, as reflected in the decisions taken at an earlier stage in the debate, to see considered in all its aspects of the twelfth session.

15. The recommendation to introduce longevity steps at the P-3 level was based on the fact that the promotion of staff members from the P-3 to the P-4 level was frequently blocked owing to lack of vacancies. A case in point was that of the translators: out of 376 staff members in that category, 116 had reached or were about to reach the P-3 ceiling. Taking account of the geographical distribution factor and of the special characteristics of their work, it was difficult to see how all translators could obtain further vertical advancement, yet all of them were doing valuable work which deserved some tangible recognition. Therefore, it was only right that they should receive some horizontal advancement in the form of additional salary increments.

16. No such clear case could be made out, however, for longevity increments at the P-4 level, as proposed by the Advisory Committee. Not only were a smaller number of staff involved—only twenty-eight out of 278 had reached or were approaching the ceiling—but there was also much less likelihood of a promotion block at the P-4 level, since staff members in that grade, and their colleagues at the P-5 level, were mostly high calibre senior officials who could confidently expect vertical advancement. He thought that the Advisory Committee, probably owing to lack of time, had not sufficiently pondered the implications of their proposal, which became clear from a study of the figures set out in document A/C.5/L.440.

17. The two additional steps to \$9,750 and \$10,000, respectively, at the P-4 level were not justified in the light of the data he had given, while at the other end of the scale there was now no need for longevity steps at the P-1 and P-2 levels, since the Fifth Committee had agreed to recommend automatic promotion from P-1 to P-2 after two years' satisfactory probation, and had also provisionally agreed to the coupling of the P-2 and P-3 levels. His delegation therefore supported the recommendation of the Salary Review Committee, and hoped that the majority of delegations would do likewise.

18. Mr. PEACHEY (Australia) said that his preliminary reaction, on listening to the statement by the Rapporteur of the Salary Review Committee, was to support that Committee's proposals. Before making a final decision, however, he would like to hear the views of the Secretariat on the financial implications of the three recommendations now under discussion, preferably expressed in gross rather than net figures.

19. Mr. DAVIN (New Zealand) asked whether the Advisory Committee would be prepared to revise its attitude in the light of the most recent information, some of which might not have been in its possession at the time when its recommendation had been formulated. Otherwise, he was inclined to support the proposal of the Salary Review Committee.

20. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Ques-

tions) said that there had apparently been some misunderstanding of the Advisory Committee's recommendation as set forth in document A/3505. The question of a longevity increment did not arise with regard to career staff at the P-1 level, who would normally be promoted to the P-2 level after two years' satisfactory probation. Neither would it arise to any great extent for career staff at the P-2 level, especially if the P-2 and P-3 levels were amalgamated.

21. There were, however, in some organizations many staff at the P-1 and P-2 levels—nurses, for example—who, because of the nature of their specialized skills, had only a limited expectation of promotion to higher levels. It was largely with that type of staff in mind that the Advisory Committee had recommended longevity increments at those levels as well. He was referring to career staff only and not to staff with fixed-term contracts, for whom the question of a longevity increment would not arise unless the term ran to more than ten years.

22. The P-4 level, in the United Nations at any rate, could not in all cases be appropriately considered as the top of the normal career expectation of an average staff member, since it was usually something less than a supervisory level. Some expectation of promotion to the P-5 level should therefore be recognized, especially as that level was still within the Professional category, a higher category beginning only at the Principal Officer (D-1) level.

23. In the light of those considerations, a longevity increment at the P-3 level would be less justified than at the P-4 level. However, having regard to the practical problems arising out of the large number of staff at the top of that level, it was only realistic to provide longevity increments for P-3 staff also.

24. The two conditions which the Advisory Committee had attached to the grant of a longevity increment, especially the condition in point 11 (iii) (a) of its report (A/3505) would considerably restrict the number of staff eligible, and were in fact more severe than the condition proposed by the Salary Review Committee. It could hardly be claimed, therefore, that the Advisory Committee's recommendations would involve appreciably more expenditure than the other proposals.

25. Mr. VAN ASCH VAN WIJCK (Netherlands), referring to document A/C.5/L.440, said that he did not fully understand the statement in paragraph 5 that the introduction of longevity steps as general policy for Professional staff would make it difficult to adhere to the principle of "best prevailing outside conditions for General Service". He would also welcome some clarification of the last sentence to paragraph 8, which claimed that longevity steps at every grade from P-1 to P-4 rather tended to give a "career" aspect to non-career jobs.

26. Mr. HUNN (Rapporteur of the Salary Review Committee) said that if longevity steps were introduced for all levels in the Professional category, it would be very hard to resist a claim that they should also be applied to General Service staff. The Review Committee had recommended longevity steps as a solution to a specific but limited problem: if the system were confined to one level, there could be no argument in equity or logic for extending it to all other Professional staff and to the General Service category. Salaries in the General Service category were governed

by the principle of the best prevailing local rates, which could not be upheld if longevity increments were applied.

27. With regard to the last sentence of paragraph 8 (A/C.5/L.440), the Review Committee's three-fold system was designed solely to meet the case of career officials, who were traditionally entitled to expect regular salary advancement. Non-career staff had no such expectations: they were in occupations with a traditionally accepted level of pay. When a nurse, for example, reached her maximum salary, she could not expect further increases while remaining in her present occupation: she could obtain such increases only by securing promotion to a higher rank. In other words, if longevity steps were introduced for non-career staff paid at fixed rates, the effect would be to introduce a "career" element into the salary scale, because the increments would carry the salary beyond the accepted maximum for the job.

28. Mr. CHECHETKIN (Union of Soviet Socialist Republics) endorsed the observation of the Rapporteur of the Salary Review Committee that the introduction of longevity steps at all levels of the Professional category would inevitably lead to a claim by the General Service staff for similar treatment. Indeed, there would then be no reason why the principle should not also be applied to Directors and even Under-Secretaries. To adopt the recommendation of the Advisory Committee would be tantamount to sanctioning a higher ceiling for every level of the staff. He therefore earnestly hoped that the Committee would adopt the Salary Review Committee's recommendation, which was designed to solve a specific problem arising almost exclusively at one level.

29. Mr. BENDER (United States of America) said that in view of the weighty arguments adduced on both sides of the question, he would support the New Zealand representative's suggestion that the Advisory Committee should be asked to reconsider its recommendation.

30. Mr. GANEM (France) said he had no objection to asking the Advisory Committee to reconsider the whole question, as the New Zealand and United States representatives had suggested. He felt, however, that as longevity increments were an innovation, the best solution might perhaps be to give them a trial at the P-1, P-2 and P-3 levels for a period of two years. After two years, the Committee would be able to decide whether an extension of the system to the P-4 level was justified.

31. Mr. KHALAF (Iraq) fully supported the Advisory Committee's recommendation that longevity steps should be extended to all grades from P-1 to P-4 for the reasons stated in the Advisory Committee's report and by its Chairman. The financial implications and the number of staff involved were of secondary importance. In examining the whole question of salary review, his delegation considered that the overriding consideration should be to eliminate hardship and give justice to the staff.

32. Mr. POLLOCK (Canada) said that his delegation had not been very clear why the Salary Review Committee had restricted the longevity increments to the P-3 level. Nevertheless, in the light of the additional information made available by the Rapporteur of the Review Committee, it would appear that, for career staff, the problem of blocked promotions at the

lower levels had been largely overcome by the arrangement providing for almost automatic promotion from the P-1 to the P-2 level and the coupling of the P-2 and P-3 levels. There was some justification, however, for the Advisory Committee's observations with regard to staff members at the top of P-4, nor had the Salary Review Committee solved the problem as it affected non-career personnel at all levels.

33. The problem was obviously complex and he agreed with previous speakers who had suggested that the Advisory Committee should reconsider the matter in the light of the discussion in the Fifth Committee. He hoped that it would be possible for the Advisory Committee to propose a solution retaining the most useful elements in the Salary Review Committee's recommendation while at the same time meeting the legitimate concern expressed by various delegations on certain other aspects of the problem. His delegation was particularly concerned with the question of P-4 and non-career staff.

34. Mr. Y. W. LIU (China) said that the statements by the Chairman of the Advisory Committee and the Rapporteur of the Review Committee had clearly shown the complexity of the problem. He therefore agreed with the suggestion that it should be referred back to the Advisory Committee for further study. Other things being equal, financial implications should be the determining factor, as the principle of economy should be dear to the Fifth Committee.

35. Mr. VAN ASCH VAN WIJCK (Netherlands) noted that the Rapporteur of the Salary Review Committee had emphasized the danger of extending the recommendation concerning longevity increments to grades other than P-3 and thereby paving the way for so wide an application of the system that the whole structure of the Secretariat would be endangered. On the other hand, he had also been impressed by the arguments advanced by the Chairman of the Advisory Committee. He knew from personal experience how great was the problem of blocked promotions and for that reason he was inclined to be sympathetic to the Advisory Committee's proposals. In view of the basic conflict of opinions, he agreed that the best course would be to refer the matter back to the Advisory Committee.

36. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions), referring to the danger of creating a precedent, pointed out that a precedent would be created even if longevity increments were restricted to the P-3 level, although the extension of the system to other levels would of course give the precedent added weight.

37. He assured the Committee that the Advisory Committee would do its best to reconsider the question in the light of the discussion, if the Committee so desired. Nevertheless, he wondered if the Committee would not be prepared to agree to the French representative's suggestion that longevity increments should be granted provisionally to grades P-1, P-2 and P-3 and that the Secretary-General and the Advisory Committee should be asked to review the matter in the light of experience and report to the General Assembly at its twelfth session.

38. Mr. BENDER (United States of America) pointed out that once a staff member had been granted a longevity increment, it would be difficult to withdraw that increment at the end of the provisional period,

if it was then decided that such increments were not warranted. He would therefore prefer the matter to be settled at the current session and he formally proposed that it should be referred back to the Advisory Committee.

39. Mr. ROBERTSON (Director of Personnel) recognized that the Salary Review Committee had been fully aware of the problem of blocked promotion and that the three measures set out in document A/C.5/L.440, paragraph 8, represented a carefully thought out attempt to deal with the problem systematically. Nevertheless, the Secretary-General and the executive heads had felt bound to point out that the problem was not confined to posts at the P-3 level, but existed at all levels from P-1 to P-4 in varying degrees in all the organizations (A/C.5/691, para. 25). The Secretary-General and the executive heads had considered the problem as it affected all the organizations covered by the common system of salaries, allowances and benefits, and the problem at the P-1 and the P-2 level was of greater concern in some of the agencies than in the United Nations itself. A nurse, for instance, who accepted a P-2 post with the World Health Organization had little prospect of advancing beyond that level. It was to meet the case of such staff members that the Secretary-General and the executive heads had felt it necessary to ask that the system should be extended to all levels from P-1 to P-4. For many staff members at the P-1, P-2 and P-4 levels advancement would still be blocked despite the Salary Review Committee's recommendations for automatic promotion from the P-1 to the P-2 level and the coupling of the P-2 and P-3 levels.

40. At the P-3 level the Salary Review Committee's proposal was likely to be more generous than the Advisory Committee's owing to the two limitations suggested by the Advisory Committee. Nevertheless, considering the proposals as a whole, the Secretary-General was prepared, on balance, to accept the limitations proposed by the Advisory Committee, although they would somewhat restrict the application of the system at the P-3 level, where the problem was most acute. The stipulation that no longevity increment should be paid to a staff member until he had remained at the level in question for at least as long as a staff member entering that level at the first step would have to remain before qualifying for a longevity increment would seem sound and reasonable, since all scales and increments were calculated on the basis of the normal expectation of service in the level concerned and hence, an official who entered the scale at the half-way point should not feel unjustly treated if he had to wait rather longer before he qualified for a longevity increment.

41. He agreed with the Advisory Committee that the P-4 level could not in all cases be considered as the top of the normal career expectation of an average staff member. It was true, as the USSR representative had said, that only twenty-eight out of a total of 280 staff members at the P-4 level had reached the maximum of that level. On the other hand, in two years' time that figure would have risen to seventy-one. Obviously, some of the staff members in question would eventually be promoted, but the problem of blocked promotions would persist for many of them if the French representative's suggestion of provisionally applying the longevity increment system up to the P-3 level only were adopted.

42. The Secretary-General's position was a considered one, which was based on the need to find a solution to the problems experienced by the agencies as well as by the United Nations. The Committee should also bear in mind that, while the Salary Review Committee's proposal for granting longevity increments at the top of the P-3 level was a partial solution to the problem of blocked promotion, it did not go as far as the Secretary-General's original proposal, namely that the P-3 and P-4 levels should be coupled rather than the P-2 and P-3 levels. There had therefore been some disappointment on the part of the staff and the Secretary-General was grateful to the Advisory Committee for having given more sympathetic treatment to the problem by broadening the base of the longevity increments.

43. Mr. TURNER (Controller) said that it was very difficult to estimate the financial implications of the various proposals with any degree of accuracy. The Salary Review Committee had estimated the net cost of the various grading readjustments it had recommended at \$70,000. Of that \$70,000, approximately \$20,000 would be accounted for, on a long term basis, by the proposal to grant longevity increments at the P-3 level. The proposal of the Secretary-General and the executive heads would be more costly. In the case of the United Nations the only significant impact would be at the P-4 level, the cost of the extension to the P-1 and P-2 levels being nominal. From a long term point of view and assuming that an average of from forty to fifty staff members at the P-4 level would eventually be involved, the additional cost might be in the neighbourhood of \$20,000. The Advisory Committee's proposal would be much more gradual in their impact and hence rather less costly than those of the

Secretary-General and the executive heads. They were in fact in the nature of a compromise between the other two sets of recommendations.

44. If the matter were referred back to the Advisory Committee, further data would be made available to that body.

45. Mr. CHECHETKIN (Union of Soviet Socialist Republics) noted that the Advisory Committee had a heavy programme of work before it. The study of the question of longevity increments would require time and he wondered whether the Advisory Committee would be able to complete it in time to report to the Fifth Committee at the current session or whether it would not be better to defer its report to the twelfth session.

46. Mr. AGHNIDES (Chairman of the Advisory Committee on Administrative and Budgetary Questions) admitted that the Advisory Committee was rather hard pressed. Nevertheless, he felt that it might be able to report on the matter by the end of the following week.

47. Mr. BENDER (United States of America) said that the question of longevity increments was an integral part of the Salary Review Committee's report. He felt that as many as possible of that Committee's recommendations concerning career staff should be dealt with at the current session. He therefore maintained his proposal.

48. The CHAIRMAN said that, if there were no objections, he would consider the United States proposal adopted.

It was so decided.

The meeting rose at 1.5 p.m.