Parliamentary Assembly
Assemblée parlementaire
https://pace.coe.int

COUNCIL OF EUROPE
CONSEIL DE L'EUROPE

Doc. 912
27 October 1958

Working Party on the European Civil Service

Report[1]

1. 1958 - 10th Session - Third part

A.

Contents **TABLE OF CONTENTS**

Foreword - 1

Residential Status of Staff - 4

Distribution of Posts among Member States - 24

Standard Classification of Posts - 38

Problems of a Joint Pension Scheme - 58

Appendix - List of experts - 78

1. Foreword

In July 1957 the Working Party on the European Civil Service, set up under Resolution (55) 19 of the Committee of Ministers of the Council of Europe, submitted a first report on staff structure, recruitment, and pension and provident schemes. The Working Party has continued its investigation in the past year and now submits its second report.

A list is appended of the experts of Organisations and Governments who drafted this report. It will be noted that there has been a considerable change in regard to the E.C.S.C. This Organisation, which was represented in 1957 by an official of the Special Council of Ministers, decided that each of its four Institutions would send observers in 1958, and only its Court of Justice has not yet done so. Thus the High Authority and the European Parliamentary Assembly are now contributing to the work of the Working Party, as well as the Special Council of Ministers.

The two most recently created European organisations are therefore already indirectly associated with the Working Party through the institutions common to the E.C.S.C., the European Economic Community and the European Atomic Energy Community.

The Working Party learnt with satisfaction that the Committee of Ministers of the Council of Europe had decided to invite the two new Communities to join the work, thus ensuring the representation of all European organisations.

It is also important, however, that all the Governments should be represented in the Working Party and it is greatly to be hoped that countries which have so far stood aside will join those who have been associated in the work from the outset.

It is essential that the Working Party should be truly representative if, as may well be the case, developments sooner or later lead to a change in its status. In its first report the Working Party recommended its transformation into a permanent co-ordinating body. No action has yet been taken on this proposal, but the Working Party thinks that if the recently created Communities join in the work it will be necessary to review the question and that it would be advisable to determine what form of machinery is best calculated to further the aims of the Working Party and increase its efficiency.

In the foreword to its first report, the Working Party referred to the imminent creation of the hew Communities and saw this as an additional reason for achieving the aims which it defined as follows: " to determine what is meant by a European Civil Service, to visualise the practical consequences its creation would have for the staffs concerned, and to make concrete proposals to the executive organs of the European institutions with a view to their taking appropriate measures ".

The main purpose of the Working Party in that report was to cover the broad aspect of the problems of staff structure, recruitment, and pension and provident schemes. It could not recommend definite technical solutions at the initial stage of its work. Itwas, however, conscious of the need for them and has borne this need in mind in its 1957-58 programme.

In the document now submitted, the Working Party, whose two Committees have held three meetings, has completed a comparative classification of posts designed to provide parallels between the positions of officials in the various Organisations and thereby facilitate the creation of a " European " career, without which there cannot be a European Civil Service. It has also gone into what it considers to be the urgent problem of residential status, taking particular pains to recommend practical solutions. It can only hope that the

Governments concerned will give the matter their close attention. It has also dealt with the principles of equitable geographical distribution and made further headway in its study of a common pension scheme, the creation of which is essential if the future European Civil Service is to be firmly entrenched.

The Working Party has also drawn up its future programme of work with an eye to keeping its proposals on a practical level. In addition to further study of a common pension scheme, it proposes to give priority to staff recruitment and vocational training. When its reports on these questions have been completed, i t will tackle the following problems:

Detailed analysis of the special residential position of junior staff engaged locally;

Duties of staff, discipline, right of appeal;

Reports on staff, increments and promotion;

Staff representation in the organisations.

In submitting its second report, the Working Party would recall that the experts appointed by both international organisations and Governments have worked in an independent capacity. Hence they alone are responsible for the conclusions of the report, which must not be regarded as necessarily reflecting the views of the organisations or Governments concerned.

2. Residential status of staff

2.1. I. INTRODUCTION

1. The development of modern society has brought about great changes in relations between States. Originally more of a family than of a political nature, and later purely political, these relations were left to career diplomats whose action and privileges were—and still are—laid down by long-standing tradition, based on reciprocity of treatment and the sovereignty of Princes and States.

The progressive establishment of technical relations between Powers and the pursuit of common ideals led to the creation of international organisations, at first on a small scale during the 19th century but in increasing numbers since the second World War. At the same time the administrative machinery of these organisations grew in importance, and an ever-increasing number of officials were needed to run them.

It is understandable, therefore, that the diplomats, seconded by their national administrations, who in the early days normally staffed international organisations, have gradually been replaced by specialists in other fields.

2. The question of residential status,- which is the subject of this section of the report, is one of the most important problems that arise in the relations between States and organisations. Whereas it was possible at first to solve difficulties on an empirical basis, merely by applying the system of diplomatic status (for instance the staff of the League of Nations were governed by Article 7, paragraph 4 of the Covenant, which says " Representatives of the Members of the League and officials of the League when engaged on the business of the League shall enjoy diplomatic privileges and immunities "), changes in the nature and size of staffs have made it necessary to look for more rational solutions better adapted to the needs of the organisations: the provision of a more restricted range of " privileges ", which were listed in agreements. Thus the residential status of international officials has moved from the realm of custom to that of written law.

3. In addition to these practical points there are legal considerations. An international official is not a representative of a foreign Power. Thus the principle of extra-territorial status, which governs the position of a diplomat stationed abroad, cannot be applied to him. The only rule on which the residential status of an international official may be based can be expressed as follows: he must be allowed complete independence in the discharge of Ms duties so that the organisation may operate smoothly at all times.

Thus we arrive at a junctional conception of the residential status of international officials. This is the basis of the privilege and immunity agreements of the organisations set up after the second World War. For instance, Article 105, paragraph 2, of the United Nations Charter, which is reproduced in nearly all agreements on privileges and immunities, states that " Representatives of the Members of the United Nations and officials of the Organisation shall similarly enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connection with the Organisation ".

In the case of very highly placed officials such as the Secretaries-General of several of the organisations there is specific reference to the privileges enjoyed by heads of diplomatic missions.

This concept is still, however, given a traditional diplomatic guise. Thus, some countries, as a generous gesture, have voluntarily granted additional facilities to all or some of the staff of the organisations based on their territory, genuine privileges which have placed them on the same footing as accredited diplomats. The diversity of practice in this respect makes for some confusion as to the real nature of the advantages accorded to the European organisations.

The Working Party on the European Civil Service believes that the essential aim is to ensure the efficient working of the organisations. It has thus confined itself to the functional aspect of the problem, considering what is essential to achieve this aim, apart from voluntary concessions which depend entirely on the generosity of the Governments.

4. Two important clarifications are necessary:

a. The term " residential status " may be used in a wide or a narrow sense. In the narrower sense, it denotes the whole relationship between an international official and the country in which his organisation is established. In the broader sense, it denotes all the rights, duties and privileges of the official not only in regard to the host country, but also, where appropriate, in regard to his country of origin and other member countries of the organisation. It is in the broader sense that the term is used here.

b. Some problems not necessarily connected with the functional principle mentioned above may arise from the very fact that European officials are living in the territory of a State of which they are not nationals. One, for instance, is that of establishing domicile for fiscal purposes. The Working Party considered that it should also consider such questions, as they fall within the scope of residential status.

5. The subject is treated in this report under three heads:

Administrative: all the administrative relations of the international official and Member States;

Judicial: the position of t he international official under the law of the headquarters country and of any member countries to which he may be sent on official business;

Fiscal: the position of the international official in dealings with the financial authorities of the member countries.

Under each of these heads, an attempt will be made to find the solution best adapted to the European organisations in the light of the functional concept.

2.2. II. ADMINISTRATIVE ASPECTS

2.2.1. Movement of staff

6. By agreeing to have the headquarters of an organisation in its territory, a country foregoes any right to judge the desirability of admitting the officials chosen by the organisation. An organisation must be absolutely free to choose the officials it wants. They must be exempt from all passport and visa formalities required under domestic laws and regulations or bilateral agreements.

But such facilities must go much further, for, in the discharge of his duties, a European official must be able to travel without let or hindrance in any Member State of the organisation. Unlike a diplomat, who is the privileged guest of one country only, the European official must be regarded as " at home " so long as he remains in the territory of any Member State.

The Working Party considers that the best way of solving this problem is to issue a special pass to European officials, giving them access to the territory of all Member States without further formality. A pass of this kind, valid for one year and renewable, is already in use for senior officials of the E.C.S.C. Provision is made for it in Article 6 of the Community's Protocol on Privileges and Immunities, and its use is regulated by an agreement concluded on 18th August 1953. It replaces passports and visas in the territory of all Member States. There is a similar provision in Article 6 of the Protocols on Privileges and Immunities of the two new Communities.

This system should be extended to officials of all organisations, regardless of their nationality, who are classified as European civil servants. This, of course, presupposes an agreement between the organisations and their member countries. It would be useful to have a standard form of pass, though the territory it covered would vary from one organisation to another.

The Governments of Member States would have to give clear instructions to all frontier services, if this travel document is to be of any real use.

2.2.2. Residence of officials

7. The problem of residence is closely bound up with that of travel. The host country must not regard European officials as ordinary foreigners practising a profession in its territory and forming part of its economic life. It must bear in mind that European officials are selected by the organisation and owe their services to it alone. Whatever their original nationality, they are to some extent " nationals " of the organisation, and as such they work partly for the country in which they are resident, when, as is normally the case, that country is a Member of the organisation.

The principle of respecting the independence of officials, which is essential to efficiency, implies exemption from all formalities in the nature of residence or labour permits; for example, (this list is not intended to be exhaustive):

Immigration regulations,

Residence permits,

Labour permits,

Control of foreign labour,

Nationality quotas,

Compulsory periodical registration,

Charges relating to the above.

Moreover, the exemptions enjoyed by diplomatic or consular officials as regards the nationality of children born in the State where they are stationed should be extended to European officials with special residential status, where such exemptions are necessary owing to the nationality laws of the headquarters country.

There is, however, a whole range of regulations connected with residence which are necessary to the host community but which do not hamper the foreign official in the discharge of his duties. These should apply to the European civil servant as much as to any other foreigner. Again without attempting to give an exhaustive list, we might mention highway regulations, regulations concerning the safety of vehicles or drivers, vaccination, census declarations, housing (restrictions, building permits, regulations concerning the hygiene or safety of multiple dwellings)

2.2.3. Miscellaneous questions

8. Under the two heads below we mention certain personal obligations by which European officials should normally be bound, but which, if imposed without special adjustments, are likely to interfere with the smooth working of an organisation.

2.2.3.1. (a) Military service

We do not refer to the normal period of military service for young people, which could hardly come into the picture, but to any training periods or recalls to the colours to which officials are liable, whether or not they happen to be in their country of origin. Such obligations may cause administrative difficulties, and it therefore seems appropriate that the organisation should have a chance of discussing with the military authorities the possibility of postponing the date of recall to the colours. We consider that the authorities should accord the organisations this right of discussion.

2.2.3.2. (b) Compulsory voting

The obligation to vote is a feature of the electoral laws of some member countries. Thus, unless there are arrangements for voting by correspondence, officials who are nationals of these countries are obliged to return to them at certain times in order to fulfd their duty as citizens. After due consideration, we recommend as the only possible solution that the organisations should give their staff the facilities to carry out their civic duty.

2.3. III. JUDICIAL ASPECTS

9. The Working Party has gone thoroughly into the judicial aspects of the residential status of officials of the European organisations. It finds that nearly all the Agreements provide for immunity from prosecution where acts are performed by officials in their official capacity.

It should be said immediately that this customary rule strikes the Working Party as being much too vague. It does not give the organisation or the local courts clear enough guidance on the line to follow when an official is involved in civil or criminal proceedings in the headquarters country.

We therefore felt it necessary to make a thorough review of the question and clarify the principles on which immunity from prosecution should rest.

We agreed on the basic presumption that the courts of the host country have jurisdiction over officials of the organisation. This presumption should not, however, extend to cases where the act complained of is committed in the course of duty or, more specifically, in the interests of the organisation's work.

The present report will therefore examine successively the procedure to be followed when the act complained of does and when it does not stem from the performance of duty.

2.3.1. Acts committed in the course of duty

10. The procedure which should be followed when the charge before the local court concerns an act committed in the performance of duty must be formulated with the utmost precision.

The first point to note is that the appraisal of the act should be a matter not for the judicial authorities of the host country but exclusively for the competent authority of the organisation.

This authority, by making a plea of incompetency, brings about the unconditional removal of the case from the local court. It can only be a question of terminating proceedings, not of reversing the presumption of competency, for in the latter case the court would have to examine the internal machinery of the organisation and perhaps set itself up as a critic of its decisions, which is obviously inconceivable.

The Working Party wishes to stress the extreme importance of the act by which the competent authority causes the removal of a case from a court. One of the consequences of this act may be the absence of any sanctions. At all events, being a sovereign act, it entails a grave decision of a semi-political character, which may give rise to sharp reactions by the State concerned. Clearly, the competent authority should be fully aware of the power of the weapon placed in its hands and should only make use of it after ample reflection.

A guarantee that this power will be used with caution may be found in the fact that in most organisations the authority concerned is the Secretary-General. By availing himself of this procedure, he assumes a serious political responsibility vis-à-vis the administrative body of the organisation, which in most cases is the Council of Ministers, and may therefore be expected to make sparing use of it.

In some organisations, this power is not delegated to the Secretary-General. In that case, if, for instance, the competent body is a Council of Ministers, only the right of veto under the unanimity rule will give the headquarters country full safeguards. There are no equivalent safeguards where this right and this rule are absent.

11. But this guarantee after the event is not sufficient, for the adoption of the principle of removal of jurisdiction may have two consequences;

1. In criminal cases, no penalties are imposed;
2. In civil cases, no damages are awarded.

In the latter case, a partial remedy would be for the organisation to assume civil liability instead of the member who has escaped sentence by the local court. If the act was performed in the interests of the organisation, it is natural that any prejudice caused to a third party should be made good by the organisation itself. The organisations should, of course, be suitably insured against third party risks incurred on their behalf. Any measure which the organisation thought fit to take against the staff member at fault would fall within the scope of disciplinary action.

In criminal matters, the removal of jurisdiction will cause a legal void as a result of which no penalties will be imposed.

It is difficult to avoid this regrettable consequence, for no international court has jurisdiction in criminal matters.

If a joint administrative court were eventually set up for all the European organisations, as the Working Party proposed in its report on structural problems of July 1957, this court might be empowered to take disciplinary action against an official for an act committed in the course of duty which went unpunished owing to the removal of jurisdiction from the local court. The case would then be treated as a disciplinary and not a criminal matter. Nevertheless, by leaving it to an independent court to judge the disciplinary aspect of the offence, the organisations would be showing evidence of impartiality, and the proceedings would be based on law and not on privilege.

It is even feasible that such a court should be empowered to supervise the use made by the organisations of the right to remove jurisdiction, and, in this connection, to hear appeals by the legal authorities of the headquarters country.

The Working Party is fully aware of the great complexity of the problem. Its intention is simply to discuss it in general terms, not to suggest a solution.

2.3.2. Acts not committed in the performance of duty

12. On this point the Working Party has reached the very simple conclusion that the courts of the country of residence should have jurisdiction over any acts not committed in the performance of duty. The only limitation would be in respect of the most senior officials who, in all agreements on privileges and immunities, are traditionally assimilated to heads of diplomatic missions.

Such assimilation should operate to the advantage of the international official just as much as to the benefit of the host country. Hence, such officials should be entitled to the same treatment as its own nationals and should therefore be exempt from all the discriminatory measures against aliens which are so common in procedural matters, for instance, the cautio judicatum solvi.

2.4. IV. FISCAL ASPECTS

13. Examination of the agreements and practice of the organisations shows that there are special arrangements in matters of taxation and exchange. Since these are often somewhat vague and there is a danger of misapprehension concerning their basis, the Working Party has been at pains to make as complete a survey as it can of the problems arising in this field and to explain i t s general proposals as clearly as possible.

2.4.1. Taxation of salaries

14. The most striking fiscal clause to be found in nearly every agreement is that conferring complete tax exemption on the salaries paid by the organisations.

This exemption has hitherto been largely based on the following two principles:

(1) An equitable sharing of the costs of the organisation by its Member States.

On this principle:

a. The headquarters State may not appropriate a high proportion of the contributions paid by other Member States, since this would upset the allocation of charges made when the contributions were fixed;

b. States may not tax their nationals employed by the organisations, for, owing to inevitable shortcomings in t he geographical distribution of posts, they would thus recover sums out of proportion to their contribution.

(2) Equal treatment of all officials of the same grade.

On this principle Member States cannot tax their nationals, for differences between taxation systems would distort the rates of remuneration.

Although tax exemption is justified at present by the principles mentioned above, the Working Party could not ignore the fact that it is often looked at askance by the general public. This is no doubt why the Governments, while abiding by the principle of no taxation for the benefit of individual countries, have conceived the idea of a tax levied by the organisation itself. A tax of this kind is already in force in W.E.U. (Article 21 of the Staff Regulations). The principle is also embodied in the Treaties establishing the European Economic Community and Euratom (Article 12 of the Protocols on Privileges and Immunities).

No doubt the method adopted at W.E.U. has the outward semblance of taxation, but in fact staff members lose nothing by the deductions made, and the operation is really no more than a book-keeping device, which incidentally helps to inflate the budget of the organisation. It is doubtful whether this system is likely to satisfy public opinion.

Thus the Working Party is bound to conclude that neither the t he principle of exemption as applied by most organisations, nor that of a t ax levied by the organisation—at any rate as applied at W.E.U.—is likely to prove entirely satisfactory.

Admittedly, the shortcomings of the WEU solution are attributable to the fact that the only grounds for the tax are psychological and the natural basis of all taxation—the citizen's contribution to the needs of the community—is lacking in this case.

However, the trend of European integration seems to be towards the creation of such collective needs, which would then form a genuine basis for a rational system of European taxation. There are grounds for thinking, therefore, that in the long run the problem will find a natural solution within the context of a genuine European Civil Service.

If the psychological aspect of the problem is regarded as decisive, to the extent of requiring the immediate introduction of a taxation system in all the organisations, the Working Party believes that it should fulfil the following conditions:

(1) The tax must not be levied by or on behalf of the headquarters country; nor must the individual States tax their own nationals;

(2) The tax should be a genuine one, i.e., it should really be paid by the staff member.

Such taxation should, in all fairness, be accompanied by a revision of salary scales;

(3) The tax should have the same features as those levied in the European countries: progessive rates, family rebates, etc.;

(4) While the natural bases mentioned above are still lacking, the proceeds should not be ;set against the budgetary expenses of the organisations, but be used to further general activities of European interest.

This scheme would silence objections and scruples about " needless taxation ", quite apart from its symbolic value.

15. Whether staff continue to enjoy complete tax exemption or are in future taxed on the lines suggested above, difficulties are bound to arise:

(a) Who shall be exempted from taxation by Member States ?

It is laid down in most of the Agreements that the Secretary-General shall draw up and communicate to Member States a list of staff exempt from taxation. It is current practice to exempt all permanent staff of the organisation, but the position of persons employed intermittently (temporary staff, free-lance interpreters, experts etc.) is uncertain. Organisations and host countries differ radically in their attitude to these temporary officials, and it would be desirable to introduce some uniformity in the matter.

As for junior staff, the Working Party will consider their taxation position at a later date, in the light of what is said in Chapter V below.

(b) May tax-free earnings be taken into account in the determination of the rate of other taxation ?

What the staff member is paid by the organisation may be only part of his total income. If income tax is progressive, the rate applicable to income from other sources will differ according to whether this other income alone is taken into account by the taxation authorities or whether it is reckoned as the upper portion of a total income of which international earnings are the lower.

The normal practice at present seems to be to ignore international earnings, although some national authorities would appear to take the opposite view. If these earnings are taken into account by the taxation authorities, it may well entail certain technical problems, which the Working Party thought best not to attempt to solve at this stage. The problems are these:

what information shall the organisations supply to the tax authorities of member countries?

what sum should be declared, in view of the fact that part of the earnings are in the form of allowances to offset expenses ?

how would the diversity of fiscal systems in Member States affect staff members ?

2.4.2. Domicile for tax purposes

16. The fact that this subject is not mentioned in most Agreements seems likely to cause some difficulty and result in either double taxation or none.

Although this, too, is a very technical problem, the Working Party would venture to recommend the universal adoption of the arrangements set out in Article 13 of the Protocols on Privileges and Immunities of the European Atomic Energy Community and the European Economic Community, dated 17th April 1957. Under this Article staff members generally retain for taxation purposes the domicile they had when taking up employment with the organisation.

2.4.3. Customs duties

17. The problems relating to customs duties are akin to those already discussed in connection with the administrative aspect of residential status: they must not be allowed to hinder the recruitment of staff.

All the Agreements provide for customsfree admission of household effects for personal use. It seems desirable that there should be a similar arrangement, when a staff member leaves the organisation, for the re-export (and import into another member country) of such effects, including, within reasonable limits, having regard to his family position, those acquired during his stay.

Special mention must be made of motor vehicles. Here the practice varies. The different systems may be summarised briefly as follows:

Customs-free admission with household effects: W.E.O., N.A.T.O., Common Market and Euratom. This arrangement also applies at O.E.E.C., although there is no written basis for it.

Customs-free admission with option to resell free of duty within two years of importation: E.C.S.C. and the new Communities. This facility is available on one occasion only, and no special facilities are granted for cars purchased subsequently. Unlike the E.C.S.C., the Protocols on Privileges and Immunities of the two new Communities do not restrict customs-free import to the time when the staff member takes up his duties.

" Acquit a caution " system: Council of Europe. The payment of customs duties is suspended. If the car is re-sold in the headquarters country, duty is payable on its market value at the time of sale. The facility is granted for all vehicles purchased by the staff member during his stay.

The Working Party considers this last system to be the most desirable and recommends itsgextension to all Member Organisations.

2.4.4. Miscellaneous taxes

18. The principle of Article 13 of the Protocol on Privileges and Immunities of Euratom, whereby the property of staff members is exempt from estate duty in the headquarters country but is taxable by the State in which they are domiciled for tax purposes, should, in the Working Party's view, be applied in all organisations.

Another measure which should be extended to all organisations is the exemption of capital paid on life insurance policies.

Taxation of provident fund assets or pensions will be discussed in the report on these particular problems.

2.4.5. Currency transfers

19. Where there are exchange restrictions in the headquarters country, staff must be given certain facilities.

Exchange problems, which are an integral part of the question of residential status, are usually disposed of in the Agreements by reference to the facilities granted to members of diplomatic missions. The only exception is the E.C.S.C., where the transfer rights of staff members are specified in the General Regulations annexed to the Statute of the Community. It is important, therefore, to throw light upon this subject.

In view of the diversity and the vicissitudes of exchange regulations in the various countries, the following facilities should normally be granted to a European official:

a. (a) During the period of employment:

1. he should be able to transfer part of his emoluments to the country of origin or engagement, so that he may meet his commitments or consolidate his savings there;
2. he should be able to import into the headquarters country the capital required to purchase a house or flat near his place of work.;
3. he should have a foreign currency allowance, regardless of his nationality, for private journeys, so that he can gain a wider acquaintance with the member countries of the organisation;

b. (b) On leaving the organisation:

1. he should be able to transfer all sums owed to him by the organisation on his departure;
2. he should be able to transfer his available funds and the proceeds of realisable assets, such as any dwelling he may have purchased in the host country during his period of employment;
3. he should be able to transfer the benefits of any life insurance contracted by him, or by the organisation on his behalf;
4. he should be able to transfer at regular intervals sums due under superannuation schemes administered or created by the organisation.

These exchange facilities should be available to the European official through the agency either of his organisation, or of the host country by special arrangement with the organisation.

The Working Party thinks that such questions should be governed in the organisations by specific regulations, drawn up in agreement with the authorities of the host country. Measures should be taken to avoid abuse of facilities granted mainly to ensure that the organisations function smoothly.

2.5. V. THE POSITION OF JUNIOR STAFF

20. In its report on staff structure of July 1957, the Working Party suggested in principle that junior staff of organisations could be regarded as subject to the regulations governing the local labour market.

This idea has been thoroughly investigated, and the Working Party has reached the conclusion that the answer to the problem lies in a system reconciling the vital needs of the organisation with the legitimate desire of the headquarters country not to swell unduly the number of persons who are in certain respects not subject to the normal processes of law.

There is nothing to justify giving all the advantages of special residential status to locally recruited staff whose jobs are identical with those they would perform in government or private employment. Yet, for reasons connected with the independence of the organisation, it is impossible t o regard them as entirely subject to the country's laws and regulations.

Consequently, the arrangements made for junior staff should have some of the features of the special residential status explained above and some of the features of local labour regulations.

21. It may be argued against the application of certain features of special residential status that the junior staff have nothing to do with the international aspect of the organisation's activities. Their function is to run the purely routine services. Chauffeurs, ushers and storekeepers are examples of this. These employees would do precisely the same work in a Government department or private firm and, as a general rule, the organisations take them on locally.

On the functional principle, it is not essential to the organisation's efficiency that such staff should have all the immunities granted to international officials. The services could operate perfectly well if they were subject, for instance, to the local system of pay and labour legislation.

It is clear, moreover, that the extension of privileges and immunities to junior staff has caused some public dissatisfaction. The problem is admittedly a complex one, and facile judgments should be avoided; but there is undoubtedly a need for a more clear-cut system, based more closely on the requirements of the organisations.

22. There are also arguments, however, against the application of all local regulations to junior staff.

Some local regulations would tend to hamper the organisations, which must have the means to carry out satisfactorily the tasks assigned them by their Member States.

Examples of this are the regulations concerning engagement and dismissal. In such matters the organisations need a degree of freedom which may not be recognised by some national legislations.

23. In view of the foregoing, it would seem that this problem should be settled on the basis of the following principles:

a. Junior staff engaged locally should be subject to a special residential code.

b. It should be left to the organisations to determine the categories of staff to which this code should be applied.

c. This special code should allow for the fact that staff whose work is the same as they would perform in a private firm, or at comparable levels in a public enterprise, cannot expect, in the performance of their duties, to receive all the exemptions from ordinary law granted to other staff on the grounds of the special nature of their work.

d. A code of this kind give the organisations the administrative and legal facilities they need in the interests of efficiency, insofar as i t depends on the staff in question.

e. In all aspects of their work not covered by (d) above, these staff members would be specifically subject to local laws and regulations.

f. There would then remain the problem of vested rights, which deserves careful attention.

Before putting these principles into operation, it would be necessary to make a detailed study of conditions of employment in the Member States, so as to determine exactly which local regulations would be compatible with the smooth working of the organisations. The Working Party has so far had no opportunity of doing this, but it is thinking of including such a study in its forthcoming programme.

2.5.1. CONCLUSIONS

Whereas the regulations governing the relationship between international officials and the countries in which they reside were at first simply those applicable to diplomatic officials, changes in the nature and size of international staffs have led the States concerned to embody in special agreements with each organisation what amount to special residential codes.

Although these agreements differ to some extent, there is a general tendency for the regulations to be based on a functional concept of the residential status of international officials which may be expressed as follows: an international official must be able to perform his duties in complete independence so that the organisation may at all times work smoothly. The Working Party thinks that, for all but the very highest officials of the organisations, the common regulations governing the residential status of European officials should be based on this functional principle. On this principle, the idea of rights and duties replaces that of privileges and immunities.

Taking this as their sole criterion, and believing it advisable to define all the rights and duties of the official in relation not only to the host country, but also to his country of origin and the other member countries of the organisation, the Working Party recommends the adoption of the following measures:

2.5.1.1. 1, Administrative

(a) European officials must be able to travel freely in the territory of Member States and must therefore be exempt from ordinary regulations relating to passports and entry visas. The introduction of a standard pass approved by all Member States seems to be the best practical method of achieving this purpose.

(b) Staff must be exempt from all formalities in the nature of residence or labour permits. On the other hand, they must abide by the regulations imposed on all residents, local or foreign, in the general interests of the community.

(c) Insofar as the performance by staff of certain personal obligations (military service, compulsory voting) might interfere with the efficiency of the organisations, adjustments should be made either by arrangement between the organisation and the national authorities concerned or unilaterally by the organisation.

2.5.1.2. 2. Judicial

The need to ensure the smooth working of the organisation means that the courts of the host country, or of any other member country, should not have jurisdiction over any case in which a staff member of the organisation is involved, when the act complained of is committed in the service of the organisation. But this arrangement is merely an outcome of the functional concept of residential status and, as an exception to the fundamental principle, recognised by the Working Party, that the courts of the host country must be presumed to have jurisdiction, it must be strictly limited to its purpose.

The consequences of this must be considered from the following standpoints:

a. From the factual standpoint, the deed must have been committed in the performance of duty. Officials must be accountable before the law for acts not connected with their duties, and the courts of the headquarters country must treat them on the same footing as its own nationals.

b. From the procedural standpoint, only the organisation can make a plea of incompetency; this results in an unconditional removal of the case from the local court.

c. From the standpoint of the sovereignty of the host country, the organisation's power to impose a severe limitation on such sovereignty must be used with the utmost circumspection. This lays a very grave political responsibility upon the senior official concerned.

d. From the standpoint of the material and moral consequences, it is advisable that wherever possible the incompetency of the local courts should not preclude the payment of damages in civil proceedings or infliction of penalties in criminal proceedings. Hence:

it should be possible for the organisation to assume civil liability, in which case it must take out suitable insurance against the risks incurrred;

there should be some procedure of international law whereby the lawfulness of the removal of a case from the court could, il necessary, be scrutinised and the disciplinary consequences of the act complained of be solemnly judged.

2.5.1.3. 3. Fiscal

(a) So far as the taxation of salaries is concerned, the Working Party believes that the regulations adopted should be based on the following two principles:

The costs of the organisation should be equitably shared between Member States;

Officials of the same level should receive equal treatment.

If the immediate introduction of a taxation system appears necessary, this should be of a genuinely fiscal nature. It should be left to the organisations to collect the tax, and the proceeds should go towards the achievement of general aims of European interest.

(b) It seems essential that all European officials should have an established domicile for tax purposes. The simplest solution would be for them to keep the one they had on taking up their duties.

(c) With regard to customs duties, the Working Party thinks that exemption should cover:

household effects for personal use, imported by an official on his appointment and re-exported on leaving the organisation, these effects to include, within reasonable limits, those acquired during his stay;

his private car; in which case exemption would take the form of a suspension of duties on each successive import, duty becoming payable in the event of re-sale in the country.

(d) Estate duties should go to the State of fiscal domicile, and there should be no taxation of capital derived from personal life insurance policies.

(e) Exchange problems must be solved in a clearly defined manner, related to what are acknowledged to be the normal needs of the staff.

The following facilities should be accorded:

1. During the period of employment, staff should be able to import into the headquarters country the capital needed for house purchase, to transfer part of their pay and allowances to their country of origin or engagement and to draw foreign exchange for private travel in member countries.

2. When they leave the organisation, staff should be permitted to transfer all sums due to them from the organisation, or from insurance taken out on their behalf, plus their liquid funds and realisable assets. They should also have the right to transfer regular sums derived from superannuation schemes administered by the organisations.

In this connection, the Working Party recommends that precise agreements be contracted between the organisations and the countries in which they are established.

2.5.1.4. 4. Position of junior staff

For junior staff engaged locally, the Working Party recommends special regulations based on the following principles:

a. It is for the organisations to decide to which categories of staff these regulations would apply.

b. The staff in question would not enjoy all the immunities accorded under the special residential system. In some matters they would be subject to local regulations.

c. The organisations would retain all the facilities they require in this connection to ensure efficiency.

d. Staff already employed when these special regulations came into force would receive special treatment to protect their vested rights.

3. Distribution of posts among Member States

1. This is certainly one of the most important and difficult problems for an international organisation. There are very good reasons for distributing posts equitably among Member States, but in practice it raises a number of problems, which are at the root of many administrative difficulties.

There is no escaping this requirement, which has the authority of the statutes and staff regulations of all the organisations. We must therefore consider carefully what is really meant by it and how it can best be applied.

Suitably interpreted and put into practice, the principle of geographical distribution could certainly become one of the best means of promoting international collaboration in the European organisations.

3.1. Basis of the principle

2. This basis is to be found in the very nature of an international organisation, whose multinational character should be reflected in its staff as well as in its administrative organs.

The nature of the collaboration between States in the various branches of an organisation is not the same a t all levels. Whereas the supreme Council of the organisation is made up of national delegates acting on instructions from their Governments, the staff, though composed of national elements, must be intrinsically international in its behaviour.

To say that the official must be imbued with an international spirit means that he must think and act quite objectively from the standpoint of the organisation and give it wholehearted and loyal service. It does not mean that he must give up his sense of patriotism. For the enlightened patriot will understand that international co-operation is ultimately the best way of safeguarding the higher interests of individual countries.

The co-operation of officials of different nationalities in the common task must therefore be patterned on co-operation between the States. This co-operation is enlivened by every national contribution. The day-to-day contacts in the course of duty between different cultures, educational backgrounds, traditions and intellectual influences make for the development of an international spirit and a sense of co-operation, and are a sure means of counteracting chauvinism and a narrowly nationalistic mentality.

Again, the presence of nationals of a State on the staff of an organisation helps to maintain its confidence in the work of that organisation, since it can be sure that its national culture is represented within the institution and can feel that it is participating in the common task on all planes.

Yet for a country to see in the systems of apportioning posts among Member States a means by which it can gain control or direct influence over certain of the organisation's activities would be a complete misunderstanding of the principle, an abuse of its purpose, and an interference with that independence of national influence which should be the hallmark of international service. Thus a tendency to show particular interest in any of the key posts in the organisation can only be deplored.

It is interesting to note that Resolution (53) 33 of the Committee of Ministers of the Council of Europe states that " no appointment to the Secretariat shall be considered to be the prerogative of any particular Member State".

Given the interpretations suggested above, the principle of apportioning posts among the various nationalities may be regarded as an admirable means of achieving common aims, from the point of view both of the organisation itself or of its Member States.

3.2. Statutory regulations

3. As soon as an international body is properly launched, with the creation of large administrative departments, the rule of geographical distribution of posts is regarded as a basic principle of recruitment.

The League of Nations referred to it in its staff regulations, the United Nations has it in the Charter, and the European organisations have clauses to this effect in their staff regulations.[2].

It is generally laid down in these texts that the overriding consideration in the recruitment of international staff is the need to secure the services of highly qualified personnel, Only after this general condition has been stipulated do we find the recommendation that posts be equitably apportioned between the nations of Member States, or, put in a slightly different way, that staff should be recruited on as wide a geographical basis as possible.

Thus two equally important principles are placed side by side: the need, for qualified staff and the apportionment of posts between the various nationalities.

These regulations have the force of recommendations to the authority responsible for appointments. The greater the importance attached to them by the Councils, the greater the obligation on this authority to observe them.

3.3. Objections to the rule of geographical distribution

4. It is generally agreed by specialists in the matter that the geographical distribution of posts causes complications and difficulties in the appointment and administration of an international staff. The difficulties are of three main kinds:

First, nationality may count more than merit when appointments are made, so that the quality of the staff engaged is reduced, perhaps appreciably. At worst it may even result in taking on " passengers ", thus making it difficult to organise the work on a normal basis.

Secondly, the international nature of the service may be weakened, since some staff members may tend to regard themselves, as it were, as " representatives " of their Governments in the organisation.

Finally, there is the fear that, on the strength of " national quota rights " Government influence in the appointment of staff may be strengthened, interfering with the free choice which is the statutory right of the Head of the Organisation.

That these dangers exist and are too often in evidence is certain. They are not, however, objections to the principle of geographical distribution, but to the way in Avhich it is occasionally applied.

There can be no doubt that an uncritical application of the principle may cause considerable difficulty. Thus, if nationality is allowed to take precedence over quality in appointments, or if the Governments usurp the power of choosing candidates, the principle can only be harmful instead of beneficial to the organisation. It is therefore of the utmost importance to explain how the principle should be properly applied.

The following paragraphs then attempt to show how the principle of geographical distribution may be applied in a normal and rational manner, so that, far from being a source of ambarrassment to the organisation, it may be of great help.

---

2. The text of these regulations is appended. It will be seen that in the NATO and WEU regulations recruitment of staff is restricted to nationals of Member States, but there is no mention of geographical distribution.

3.4. Suggestions for a policy

5 . We give below certain practical suggestions on how the principle of geographical distribution can be applied to good purpose. We deal in turn with the field of application of this principle, the criterion on which it should be based and its effects on vital aspects of staff administration.

3.5. Field of application

6. We shall consider this subject from the point of view, first, of the posts available in the organisation and, secondly, of the member countries.

3.5.1. (a) Posts

7. It would be an over-simplification to suppose that, once the principle of geographical distribution has been adopted, it should be applied without exception to all posts in the organisation. The needs of the organisation and certain political or technical considerations prevent its indiscriminate application.

8. It is generally agreed that the principle need not be applied to unclassified posts[3], to which appointments are made on purely political grounds, by agreement between Member States— though often competitively. And, although the nationality of the candidate clearly plays a part i n the final choice, it should not be taken into account in the general apportionment of posts, otherwise the balance between member countries will be completely destroyed.

9. In the Working Party's view, Category D posts should normally be filled by junior staff engaged in the headquarters country and should be subject to special regulations. There is no reason to apply the rule of geographical distribution to these posts.

10. The same holds good of linguistic posts, except perhaps where the languages of all member countries are on an equal footing. This is only so in the Communities of the Six. In all other European organisations the number of member countries far exceeds the number of official languages. With rare exceptions translators and interpreters can be found only in the member countries where one of the official languages is spoken.

11. Some technical posts requiring very specialised knowledge (for instance, nuclear physics) can only be filled by outstanding specialists, who are not available in every country and so must be selected purely on their qualifications, regardless of their nationality. It is difficult to see how posts of this kind could be taken into account in the system of geographical distribution.

12. There remain Categories A, B and C of the comparative classification of posts. The Working Party thinks that the principle of geographical distribution should apply to these three categories, which form the greater part of the staff of the organisations and the core of their administrative structure. The Working Party does not, however, think that the rule can be applied uniformly to all three categories. Though desirable for Categories B and C, it is certainly much less essential for them than for Category A. Certain posts entail technical and practical tasks which demand a perfect knowledge of one of the official languages of the organisation, thus excluding many candidates from other member countries. Moreover, as has been shown above, the advantage of geographical distribution is that through it the organisation obtains the harmonious co-operation of the national geniuses of the member countries. This advantage is very slight in the case of junior posts.

For the senior posts which comprise Category A, however, geographical distribution is essential in order to create a genuine European spirit in planning, research and administration, It is these senior officials who make the greatest contribution to the achievement of the institution's aims and who have a real influence on i ts political outlook and spirit.

3.5.2. (b) Nationalities

13. If the system of geographical distribution is to serve its full prupose and make the desired impact on the composition of the secretariat, a place should be found for nationals of all Member States.. Even a numerically or economically weak country, with little political influence, can make a valuable contribution to the general spirit of the organisation. Examples abound of countries which have an influence out of all proposition to their material strength. Every member country should therefore be represented on the staff of an organisation by one or more of its nationals.

---

3. All the references in the present Report to a classification of posts are taken from the system suggested in the report on this subject presented by the Working Party.

14. This rule may be simple to observe in large organisations, but presents a difficult problem for organisations with a small staff and many Member States. For these the only remedy is for the States to take turns in filling appointments, so that all of them will at some time have at least one of their nationals on the staff. But a roster system of this kind is incompatible with the idea of a career, or at any rate •of a career in one organisation. This. difficulty Ms not escaped the Working Party, but, like so many others, it seems insoluble except within the context of a genuine European Civil Service with transfer facilities from one organisation to the other.

3.6. A criterion for geographical distribution

15. The principle having been accepted, it remains to seek a criterion for its application. To leave its application to chance or to the discretion of the authority responsible for appointments would be to place this authority in a very difficult position, for in the absence of a criterion Member States might feel their legitimate interests were being ignored and disputes might arise between them owing to—quite natural— differences of opinion on how posts should be apportioned. It is therefore in the interests of both the States and the organisations that a completely unequivocal rule should be adopted.

Of the various criteria that immediately spring to mind: area, population, national income, contribution to the organisation, etc., the Working Party has reached the conclusion that the simplest and most equitable would be the contribution of Member States. It has the advantage of lending itself to no statistical discussion, of having been established in accordance with the organisation's needs and, in most cases, of taking into account the special nature of the organisation's activities. Thus at the Council of Europe, a political organisation, contributions are based on population, whereas at O.E.E.C., an economic organisation, they are based on national income.

16. In recommending that the criterion should be a State's contribution to the organisation, the Working Party does not wish to rule out other possibilities, which might be found more appropriate in some cases. For instance, some organisations have found a formula for determining the number of seats allotted to each member country in a Parliamentary Assembly; the same apportionment might usefully and conveniently be used for allotting posts in the Secretariat.

But, whatever system is adopted, the main thing is that it should be clear and unquestionable, so that it does not give rise to disputes.

17. It is no less important to preserve great flexibility in applying the criterion adopted. It is possible to imagine a system by which points are awarded to posts according to their grade; for instance, one point for a post in the lowest grade of Category C and 10 for a post of Director. The points awarded to all posts subject to the rule of geographical distribution are then totalled up and divided among the countries on the basis of the chosen criterion. A system of this type was adopted by the United Nations. Its obvious advantage is that it removes all risk of the arbit r a ry in the apportionment of posts. On the other hand, it has the drawback of being extremely rigid and subjecting the choice of staff to an arithmetical rule of thumb.

All things considered, the Working Party cannot recommend this system, as the disadvantages seem to outweigh by far the advantages. In its opinion, the competent authority should be responsible, under the supervision of the administrative organs of the organisation, for striking a proper balance between staffing needs and the principle of geographical distribution. This requires great flexibility, and, clear though it may be that a post of Director cannot, in this context, be equated with a post of typist, there is no need to draw the conclusion that each should have a specific valuation. It is a matter of tact and common sense at least as much as of administrative strictness.

3.7. Geographical distribution and methods of recruitment

18. Since the principle of geographical distribution comes into operation at the time of recuitment, it is at this stage that its effects are most clearly felt.

Two aspects of the problem need particular attention:

(a) The principle must not obscure the fact that the final aim is the engagement of qualified staff.

It is clearly wrong that an official should be recruited solely on grounds of nationality. If it is advisable to fill a vacant post by appointing a national of a particular country, the organisation must do its utmost to find the most qualified candidate of that nationality, and in this i t should be able to count on the full co-operation of the Government concerned.

(b) The rule of geographical distribution Should not however deprive the appointing authority of its essential prerogative, which is the free choice of staff for the Secretariat. It provides a context for this choice, but within that context the Head of the Organisation should remain free to appoint the staff best suited to the needs of the organisation. This means that, although at a given time the geographical distribution of posts may be such that a State can legitimately hope to see a vacancy in the organisation filled by one of its nationals, no State ever has the right to dictate the appointment or bring pressure to bear on behalf of a particular candidate.

The Working Party considers that if, in accordance -with the traditional practice, Member States are allowed to present candidates, they should normally be required to put forward a greater number of suitable candidates than there are posts to be filled. The European Organisation for Nuclear Research has taken an important step towards rational recruitment by stipulating in its Staff Regulations that: " the Director- General shall give Member States adequate notice of all vacancies for staff other than locallyrecruited staff so that they can give the requirements suitable national publicity. When the Director-General considers it to be necessary, he may, in addition, take direct action to obtain specialist staff ".

Finally, if the Head of the Organisation is to have the maximum freedom of choice, he must be able under the recruitment system of the organisation to examine all private candidatures of the nationality in question in addition to the official candidatures submitted.

The Working Party intends shortly to make a detailed study of methods of recruitment. The organisations' best guarantee of being able to exercise an independent choice in the engagement of staff, despite the rule of geographical distribution, is a properly worked-out system of recruitment.

3.8. Geographical distribution and promotion

19. One possible consequence of the strict application of the rule of geographical distribution is that it will play a decisive role in staff promotion. There might be an understanding that when a given vacancy is filled by promotion, only staff of a certain nationality are eligible. The Working Party, however, believes that no other factor should enter into promotion but professional ability. By this it means that geographical distribution, however essential at the time of recruitment, should play no further part in the official's career. The most that can be conceded is that, when there are two candidates for promotion of equal professional ability, the fact that a certain country is under-represented among the higher posts may tip the balance in favour of a national of that country. But, apart from such extreme cases, geographical distribution should be completely disregarded in matters of promotion. Otherwise a genuine career as a European civil servant would be impossible.

3.9. Geographical distribution and vocational training

20. The very special recruitment and working conditions in international organisations— so different from those of national administrations— put a premium on vocational training.

Organisations which are required to recruit their staff on a geographical basis and at the same time to secure the services of wellqualified persons will obviously find their task easier if provision is made for staff training.

Many of the difficulties now caused by the need for geographical distribution would be greatly reduced if new entrants and young staff were able to acquire the minimum of common training needed for fruitful co-operation in the comm on task. An acquaintance with each other's cultural and administrative traditions would certainly be of great value in bringing staff members from different countries into closer harmony. Special mention should be made of a knowledge, of languages, for this is too often a Teal obstacle to the appointment of qualified staff of the desired nationality. Candidates with all the other necessary qualifications are often rejected because their knowledge of the official languages of the organisation is inadequate, and an inferior candidate is taken on (of the nationality required by the system of geographical distribution) simply because he has the necessary linguistic knowledge. There can be no doubt that appropriate training—before or after appointment— would go far towards overcoming these difficulties.

In view of the importance of this problem, the Working Party proposes shortly to give it detailed attention.

3.10. Conclusions

21. A number of positive conclusions can be drawn from this study. They may be summarised as follows:

1. The Working Party believes that i t is essential as regards Category A and undoubtedly useful as regards Categories B and C to apportion posts equitably among member countries of the Organisations. It insists, however, that this principle should be so applied as to avoid interference with another, equally important, principle, namely that the organisations must secure persons with the highest qualities, both moral and professional.
2. Without wishing to rule out other systems of apportioning posts, the Working Party thinks that the normal criterion should be the percentage contribution of each State, though it should not be applied on a strictly arithmetical basis.
3. The authority responsible for appointments should have full independence to recruit capable staff, this being fundamental to the efficiency of the Organisations. It follows that any pressure of influence brought to bear by a State on behalf of a particular candidate under the system of geographical distribution must be firmly resisted.
4. The development of rational recruitment methods would make the task of the organisations easier.
5. To avoid functional difficulties caused by observing the principle of geographical distribution, it is essential to introduce a suitable vocational training scheme for staff.
6. The principle of geographical distribution must play no part in the career of staff members after they have entered the service. Promotion must not be affected by it, except when a choice has to be made between staff of equal professional ability.

3.10.1. APPENDIX

3.10.1.1. STATUTORY REGULATIONS RELATING TO GEOGRAPHICAL DISTRIBUTION OF POSTS

World Organisations

1. League of Nations (Staff Regulations, Art. 10) "

In making appointments to the first division particular account shall be taken of the international nature of the Secretariat and of the importance of securing the services of nationals of the various Members of the League."[4]

2. United Nations (Charter, Art. 101) "

"1. The staff shall be appointed by the Secretary-General under regulations established by the General Assembly.

2. Appropriate staffs shall be permanently assigned to the Economic and Social Council, the Trusteeship Council, and, as required, to other organs of the United Nations. These staffs shall form a part of the Secretariat.

3. The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standards of efficiency, competence, and integrity. Due regard shall be paid to the importance of recruiting the staff on as wide a geographical basis as possible."

European Organisations

1. European Coal and Steel Community (Staff Regulations of the Community, Art. 28, para. 1)

" Appointments must be made with a view to securing for the Organisation the services of staff of the highest ability, efficiency and integrity. They shall be recruited on the widest possible geographical basis from among the nationals of the countries mentioned in Article 79 of the Treaty. "

2. Council of Europe (Staff Regulations, Art. 7)

---

4. Translation from the French.

" In recruiting staff the Secretary-General shall regard as of first importance the recruitment of persons of the highest ability and integrity.

In addition, as far as possible, the Secretary- General shall secure that posts are distributed as fairly as possible among nationals of the various Members of the Council of Europe,

The Secretary-General may recruit the subordinate staff from persons available locally at the seat of the Council. "

3. Organisation for European Economic Co-operation (Staff Rules and Regulations, Art. 7 (a) and (b))

" (a) In recruiting staff, the Secretary- General shall give primary consideration to the necessity of obtaining the services of persons possessing the highest standards of competence and integrity.

(b) He shall provide, so far as possible, for a wide distribution of posts among the nationals of Members of the Organisation. Junior staff small normally be recruited at the Headquarters of the Organisation. "

4. European Organisation for Nuclear Research (C.E.R.N.) (Staff Regulations and Rules, Art. 7)

" 1. In recruiting staff the Council shall regard as of first importance the recruitment of persons of the highest ability and integrity.

2. Subject to the foregoing principle the system of appointments shall provide so far as possible for a wide distribution of posts among the nationals of Member States.

3. The Director-General shall give Member States adequate notice of all vacancies for staff other than locally-recruited staff so that they can give the requirements suitable national publicity. When the Director-General considers it to be necessary, he may, in addition, take direct action to obtain specialist staff.

4. The Director-General may recruit ancillary and junior technical and administrative staff from any persons available locally at the seat of the Organisation. "

5. North Atlantic Treaty Organisation (Staff Rules, Art. 6, paragraph (d))

" Recruitment of members of the staff will be limited to nationals of the member countries of N.A.T.O., and subsequent marriage to nationals of a non-N.A.T.O. country may be considered by the Secretary-General as a reason for termination of contract. "

6. Western European Union (Staff Rules, Act. 7, paragraph (d))

" Recruitment of members of the staff will be limited to nationals of the member countries, and subsequent marriage to nationals of a non- WEU country may be considered by the Secretary-General as a reason lor termination of contract. "

Note: Protocol No. IV, concerning the WEU Agency for the Control of Armaments, to the Treaty signed at Brussels on 17th March 1948, stipulates:

" Article 1

The Agency for the Control of Armaments (hereinafter referred to as " the Agency") shall be responsible to the Council of Western European Union (hereinafter referred to as " the Council ") . It shall consist of a Director assisted by a Deputy Director, and supported by a staff drawn equitably from nationals of the High Contracting Parties, Members of Western European Union. "

4. Standard classification of posts

4.1. The problem

1. In the part of its July 1957 Report devoted to staff structure, the Working Party expressed the view that a standard classification of posts was an essential preliminary to the various co-ordination measures which whould lay the first foundations for a European Civil Service. It also said that this was a feasible project, for the comparative table of pusts in the various member organisations showed that, despite the diversity of nomenclature, there was much that was closely comparable.

Continuing its study of this subject, the Working Party has prepared a specimen table of posts and grades by reference to which the organisations could achieve a reasonable degree of standardisation in respect of qualifications and conditions of employment.

2. The Working Party has set itself a limited task, that of providing organisations with a general framework to which each can adapt its staff structure so as to achieve a suitable degree of standardisation in the matter of qualifications, conditions of service and remuneration, thus enabling careers to develop on comparable lines.

This, it would appear, is the aim pursued by all national administrations when making a general classification of posts in the public service. A framework having been laid down, each department organises itself in accordance with its needs, and its staff pursue their careers within the department in accordance with its particular regulations.

Although, for want of a central authority, the European organisations have no co-ordinating medium as strong and efficient as in the national civil services, the adoption of a general plan of classification would certainly be an important step towards creating a body of civil servants both for the existing organisations and for those which come into being as the European idea gains full impetus.

3. The adoption of a standard classification of posts must be regarded as a basic (actor in the creation of a European civil service career, since i t would:

a. Greatly facilitate subsequent measures of co-ordination, viz:

definition of qualifications and recruitment conditions;

standardisation of conditions of employment and, in particular, of salary scales;

uniform application of residential regulations;

introduction of a pension scheme common to several organisations;

b. Develop the career idea in each organisation. A rational classification of posts provides the right basis, first, for a system of promotion and, secondly ,for a system of remuneration which makes due allowance for the various factors in a career: duration, scope, rate of salary increase;

c. Facilitate the movement of staff from one organisation to another, as a result of the standardisation of methods of recruitment and conditions of service.

4. There would also be great advantages of other kinds:

a. The organisations would find staff administration simplified because they would have a predetermined general framework, which is now lacking. New organisations, in particular, would no longer find themselves, as they now do, with nothing to work on, so that they are often forced either to improvise or to copy an older organisation.

b. Governments would have the assurance that staffing and salary questions would be treated in exactly the same manner in all the organisations.

c. Staff would have better career prospects thanks to the improvement of the system itself and to the fact that it would be easier to move from one organisation to another.

5. The foregoing shows the great advantage of having a carefully worked-oul classification of posts adopted without delay by the greatest possible number of European organisations.

This classification would make i t possible for all organisations to speak the same language and use the same yardsticks in staff matters. They would be in a better position to harmonise staff regulations and to co-operate fruitfully in the field of staff administration. Conversely, the lack of this common denominator will prove a fundamental obstacle to all such efforts at harmonisation and co-operation.

A serious attempt must therefore be made to work out a staff classification for the use of all the organisations. The Working Party is convinced that it is quite feasible, provided that i t is regarded essentially as a general framework adjustable to the special internal needs of each organisation.

6. This has been our aim in the present report. We have tried above all to bring out the elements of a method of classification by examining the nature of the duties performed and analysing them in the light of normal working conditions in the European organisations.

By this method we find many types of posts which are identical or at any rate quite comparable between one organisation and another. This gives us a basis for working out a system of classes and grades which will constitute the general framework referred to above.

The problem is greatly facilitated if we draw the distinction, explained below, between the grading of civil servants as a body (which bears on career planning) and departmental structure (departmental planning in terms of function and chain of command). The general framework must be drawn up mostly with the former in view, for staff grading can to to a large extent be common to all organisations, whereas departmental structure is essentially a matter of particular concern to each of them individually.

7. The explanation of the problem and the outline of a solution which we have attempted above may be summed up as follows:

1. The scope of the classification: which posts it shall cover and which it shall leave out.
2. The vital importance of distinguishing clearly between the two concepts: career and departmental organisation.
3. The classification must be conceived with a view to career prospects. It is essential, therefore, to ask how the career problem stands in the context of the European organisations.
4. It will not be possible, until these preliminary factors have been analysed, to suggest: a blue-print for the classification of posts.

4.2. Scope of the classification

8. If the above aims are to be achieved, the classification must apply to all permanent posts common to all organisations. Temporary posts and posts peculiar to one organisation may be excluded from the general system. The problems of seniority, remuneration, privileges, etc., attached to such posts may be solved in each organisation by assimilation to posts in the general system.

Even with these limitations, however, the scope of the classification raises certain questions, which must now be considered.

(a) Unclassified posts, specified as such in the special regulations of each organisation, are not considered in this report.

The classification thus goes no higher than Directors, i.e. heads of large administrative or operational units within the organisation. It must be noted, however, that the standing and responsibilities of Directors are greatly affected by the duties attaching to the unclassified posts.

We must insist that directorships are incorporated in the classification table, forming its apex. In a well-planned career system these posts will normally fall to officials promoted from below. The Working Party realises, however, that at the present stage, in the absence of a rationally based public service, appointments to the most senior posts may be influenced by certain other contingencies, particularly geographical distribution.

(b) It is a moot point whether certain posts of a highly technical nature should be included in the system of classification. We refer, of course, to the permanent establishment and not to what are generally known as " consultant experts ", engaged for specific duties, who are unestablished.

The Working Party thinks that the solution to this delicate problem—the practical importance of which varies widely from one organisation to another—should be left to the discretion of the organisation concerned. It will be appreciated that, from the standpoint adopted by the Working Party, there is no reason to include such posts in the system of classification unless they are a feature of several organisations.

The Working Party thinks that the organisations might be guided by the following considerations:

> *If the duties attaching to the post are permanent ones, the post should be included in the general classification table, or, at any rate, in a special, parallel table, which might have different categories and grades from those in the general table. This method would give greater flexibility, allowing for the special characteristics of certain posts.*
>
> *Where the duties are not of a permanent nature and the appointment is made for one specific purpose (e.g. the study of a particular question), there is no need to fit the post into the general framework. The relationship between the organisation and an expert appointed for a specific period is for the most part*

determined by special contract. The organisations may wish to assimulate such cases to established posts for purposes of seniority, remuneration and so forth, but there is a difference between assimilation and integration in a fixed framework.

(c) Should the classification include junior posts subject to local labour regulations? The Working Party believes that it should, in order that the classification system may present a complete picture of the organisation and its pyramidal structure. If such posts were not given some place in the system of classification, there might well be inconsistency in the grading of some of them, as no complete picture would be available.

As will be seen below, one of the advantages of dividing posts into categories is that it enables different regulations to be applied to different categories, e.g. one category may be subject to international regulations, another to local labour conditions.

4.3. Departmental structure and career planning

9. A classification system should not be based entirely on departmental structure. A distinction must be made between two distinct concepts.

(a) That of departmental structure—the organisation of the service on a functional basis, which determines what may be called the chain of command.

Posts and responsibilities are apportioned among organisational units, whose generic title, size and inter-relationship vary according to the administrative system adopted and the nature and number of operations performed. The international organisations have imitated the national civil services in having directorates, divisions, offices, sections, sub-sections and so forth. These units are dovetailed into a pattern suited to the requirements of the service. Some directorates may embrace a complete pyramidal structure; others, owing to the nature of their work, may have a less elaborate structure.

(b) That of the grading of civil servants as a body, which is related to career planning; the division of the staff into categories according to their level of education, the qualifications required and the career prospects offered. This, then, is a structure based not on departmental needs but on persons.

10. It is clear that the two concepts are largely complementary and interlinked, for a person's career cannot be completely divorced from the structure of the department in which he works. But what matters for our present purpose is that the two concepts are distinct ones and a r e embodied in two different systems of administrative planning, to reconcile which is a problem an itself.

A classification of posts and grades is bound up with the concept of career planning, The adaptation of this classification to the functional departmental structure is a subsequent process, and the association of specific duties or a specific post with a category and salary scale in the classification system is a problem to be solved in the light of departmental needs. This is where the concept of " job description " comes in. Shall a given post be placed in category A <or B ? Shall it be classified as Head of Division or Head of Office? These things depend on departmental structure, the importance of the job, the responsibilities attaching to it and the nature and volume of the business conducted. Thus seemingly identical duties may quite well be differently graded by different organisations. In a very large organisation the post of Head of Establishment will be held by a Director, in a mediumsized organisation by a Head of Division, and in a small organisation by a Head of Office.

From the range of grades and salary scales the responsible authorities will choose those suited to the job by applying a series of administrative criteria. This choice, it should be added, is not usually theirs alone; since it affects the budget, it is generally subject to control by the budgetary authorities.

11. It may be concluded from the foregoing that, where there are international organisations with sufficiently similar functions and therefore closely comparable administrative needs, it is quite feasible to work out a career structure common to them all. In other words the same table of classification of posts and grades can be used by them all—at any rate as a general framework— and should normally be able to satisfy all their administrative needs.

Of course, bearing in mind the distinction made above between departmental organisation and career structure, the use of this standard table of grades and salaries will normally cause special problems of classification due to the pecularities of the organisation concerned. It is for the administrative authorities of the organisation, with the assistance and under the supervision of its budgetary authorities, to solve such

problems, just as, in the national civil services, Government departments, with the help of specialists, decide upon the grading of posts in an administrative unit by referring to a system of classification covering the whole civil service.

4.4. The career concept

12. There are two concepts of staff grading in civil service theory, the system of so-called " positions " and the system of " classes ".

In the first the post entails specific duties which are its essential feature. All such posts are filled by specialists who in the normal course of events will never perform any duties other than those for which they were appointed.

Under such a system prospects of promotion through a change of duties are extremely limited, if not virtually inexistent. Under the system of " classes, ", on the other hand, the official is appointed on the strength of a number of general qualifications which vary according to the category in which the appointment is made. It is the level of his qualifications that determines his place in the system and enables him to be posted where he will be most useful. Fie may move from one post to another in the same category and, if he improves his qualifications, may even move from one category to another. Here the career concept, as normally understood, is much more prominent than in the " positions " system.

So much for theory. In administrative practice, however, the distinction between the two systems is far less sharp and there can hardly be an administration which does not combine the two. Obviously, some posts can only be given to persons with specific technical qualifications, who will normally carry out the same tasks as long as they remain in the organisation. The growth of technical work in the administrative services will no doubt tend to increase the number of posts filled exclusively by specialists, but the principle of recruitment on the basis of general qualifications still remains.

13. At the outset an international organisation adopts perforce, and perhaps unconsciously, the system of " positions ". During the initial period of its development staff are recruited mainly for their specific qualifications and for the immediate services they can render in a particular post. In order to put its machinery promptly into operation an international organisation is obliged to appoint specialists in each particular field and place them at different levels. It may be said that at this stage neither the organisation nor the person appointed is concerned with the idea of a career.

But the situation gradually changes. After the organisation has settled down and its initial staff requirements have been met, new appointments are mostly to fill vacancies due to an expansion of work or the need to replace staff who have left. Officials already on the staff are promoted and newcomers tend to be young people who will work under the direction of older staff members. These two developments lead to the gradual emergence of the career idea. A time eventually comes when this becomes a real problem and the staff of the organisation begin to worry about their future.

This is a human factor which may affect efficiency and cannot be neglected. A time comes in the life of a permanent international organisation when it is necessary to think in terms of careers.

14. An objective analysis of the duties performed in an organisation suggests that there are two types of posts, which may be described, in the terminology we have used above, as " positions " and " classes " respectively.

(a) Some posts are necessarily specific and specialised and are fdled by staff who possess the particular qualifications needed for the work, so that there is a certain identification between the individual and the post. Sucn posts are found at the manual level (e.g. chauffeur, machine operator, electrician), and at the intellectual level (e.g. translator, interpreter, verbatim reporter, radio technician).

It can be readily seen that this attachment to the post also occurs where the limited qualifications required normally preclude transfer to another post (usher, messenger, porter, etc.)

(b) For the second type of post the official must have general qualifications which enable him to move to other posts requiring other capacities, either at the same or at a different administrative level. In these cases the main qualities looked for are general education, experience and an ability to conduct business or take charge. These capacities enable the staff member to turn his hands to many tasks, and a fairly wide range of posts and opportunities for promotion are open to him.

Such posts will mainly be found in the research, advisory or administrative fields, in the broadest sense of the terms, in addition to which there are the posts of secretary to those committees and other groups of every kind in which international organisations abound.

These posts nevertheless require some technical qualifications and are sometimes filled by highly qualified experts. What distinguishes them from the first type is that, besides specific technical ability, their holders must also have good general qualifications, which increase their potentialities and open the way to a wide choice of activities.

15. If the above analysis is correct, the practical conclusion to be drawn is that there are posts which may form a complete career in themselves, whereas others normally form only part of a career. The holders of the former may— quite normally and naturally—spend their whole lives doing the same work and make a complete career of it, whereas those occupying the other type of position may be expected to move on to a succession of posts and ascend the steps of the ladder. There is nothing strange in the idea that a chauffeur will go on being a chauffeur for thirty years, whereas if a white-collar worker continued to do.the same work for that length of time the would scarcely be said to have " made a career ", in the normal sense of the term.

These factors, which are inherent in the nature of the different types of posts, must inevitably affect their classification and must be taken into account when drawing up salary scales.

4.5. Outline standard classification of posts

16. The main feature of the classification table appended to this section is the division of posts into categories according to their nature, and a further division of the categories into grades to differentiate between specific duties and make it easier to draw up a salary scale.

This approach, which is in the tradition of the civil services of the European countries, produces a system with considerable advantages:

(a) The division into categories makes it possible to determine certain basic factors in the concept of a career:

the standard of education at the time of recruitment;

cases in which promotion should be by examination (when moving from one category to another);

which officials should receive certain privileges (by assimilation with diplomats) or certain benefits (for instance, allowances of one kind or another);

the distinction between office and workshop duties, which at the moment are too often lumped together;

whether a category of posts should be subject to local regulations.

(b) The system makes it possible to develop the career idea.

In the case of certain posts, the whole career would fall within a single category, even within a single grade, and would simply cover the various steps in the salary scale of that category or grade. If, on the other hand, a post normally represented only part of a career, a staff member who wished to reach the top would have to change not only his grade but his category— though the latter should be exceptional. The system of classification should be so devised that each category gives staff members the possibility of a full career by successive promotion to posts for which their level of education is adequate.

The standard of general education required for admission to a given category could be determined by reference to the posts in the category. Candidates for promotion from one grade to another would be selected on the basis of professional and technical experience as well as of general education and the best could rise from one category to another (this raises the question of examinations for promotion to a higher category).

(c) The division into categories and grades would facilitate the establishment of a rational salary scale. Grades providing a complete career in themselves should have an appropriate salary spread and a suitable rate of advancement by periodic increments. The salary spread will be different for posts which form only part of a career, i.e., normally begin in one grade and end in another.

Finally, there are certain posts—linguistic or highly specialised—which might have a special structure of their own embracing several scales which offer regular advancement without distinction of grade. Such careers might in some cases straddle two categories.

17. It has been possible on the basis of normal working conditions of the European organisations to distinguish between four types of duties, each corresponding to a category:

Category A: Planning, research and administration;

Category B: Executive;

Category C: Clerical;

Category C(i): Skilled workers;

Category D: Messengerial and manual services.

These four categories would cover twent y grades, each with its salary scale, offering wide scope for the suitable classification of all posts. As already said, some posts would be incorporated in a special category.

There will necessarily be overlapping of salary scales from one grade to another, even from one category to another. The Working Party has deliberately accepted this principle, in which it sees no disadvantage. The essential thing is that the organisations should have a wide enough choice of grades for a suitable distribution of posts. Overlapping between scales is already customary in many national administrations and indeed in most of the organisations.

No attempt has been made in the table t o equate the duties cited as examples with the various grades within each category. A classification of this kind would have to cover all posts and would require a thorough analysis exceeding the scope of this study.

This task should be carried out without delay by any organisation which has not yet done so, in accordance with the method outlined in paragraph 11 above, taking the fullest possible account of the advantage of standardisation between the organisations.

For administrative purposes posts would be denoted by category and grade. For example, a Director would be an A7, a committee secretary an A3 or A4, a typist a C4, etc.

Staff might refer to their posts in terms of the duties they entail, in preference to generic terms like Secretary, Counsellor, etc., not to mention the somewhat inhuman practice of referring to them by number.

18. The intention of the Working Party in grouping posts involving planning, research and administration in Category A was to bring into the same class all posts requiring a general education of university level. In the belief that the senior administrative posts should normally be filled by promotion from within, the Working Party dismissed the idea of putting them into a separate category.

Category A includes officials in charge of other staff (directors, heads of departments, heads of divisions, heads of offices), research and advisory staff (political, legal, economic and financial advisers and their assistants) and finally, the officials, so numerous in international organisations, who act as secretaries to deliberative bodies or committees of experts.

The lowest grade in Category A is intended for young university graduates entering as trainees or in the most junior administrative posts.

19. Category B (Executive) covers executive and supervisory posts, i.e., posts requiring the general or individual application or supervision of a technique or process or posts involving the supervision of subordinate staff. For example: head of section (a section being a smaller administrative unit than an oifice), senior clerk, draughtsman, minute writer and specialised stenographer, book-keeper, head of workshop, manager and technical supervisor.

Staff in these posts, who usually have long administrative experience, can render useful service assistance to officials in Category A. The senior of these posts are the normal career target for the most promising officials in Category B, but they should also be regarded as a useful training ground for future category A grade officials who do not possess the " necessary diplomas ".

For some of these posts the main qualifications will of course be sound technical knowledge—academic or practical—and the ability to manage office or workshop staff (head of section, book-keeper, head of offset shop, for instance); for others, an ability to draft memoranda, correspondence and reports. All posts will require a good secondary education.

Five grades have been provided for the range of posts included in Class B.

20. Category C and C (i) cover clerical staff and skilled workers respectively.

By clerical staff we mean office staff performing such duties as the supervision of small administrative units, various administrative tasks (ledgers, statistics, etc.), private secretarial work, filing, shorthand-typing, and so on.

Staff in Category C (i) will mostly be employed as skilled workers or foremen in reproduction and printing workshops. Examples are: head of offset, roneo or photographic section, offset, operator, photographer, draughtsman, etc.

The distinction between office and workshop duties should facilitate classification. Although these posts entail comparable responsibilities, they are different in character and require a different training (more in the nature of general education in the one case, more technical in the other). Staff in these two types of work should not compete with each other for promotion.

Provision has been made for four grades in Categories C and C(i). The same salary scales could no doubt be provided for the corresponding grades in the two categories.

21. Category D (messengerial and manual services) is for manual or predominantly manual workers: usher, messenger, office attendant, porter, chauffeur, storekeeper, machinist, etc.

This class could be divided into three or four grades.

22. With regard to linguistic posts, the Working Party thought that, owing to their particular nature, they should be placed in a special category of their own.

They could be three grades of interpreter, Head of Section and two others. Similarly for translators, except that there would be a further grade for translation revisers. In both cases the lowest grade would be for young beginners.

Linguistic staff should have special scales, as explained earlier in this report.

23. The recommended classification is, as we have already said, essentially a general framework. It could easily be applied in every organisation in respect of posts carrying specific duties, both those which are more or less confined to international organisations (e.g., interpreter, translator, verbatim reporter) and those which are not (e.g. chauffeur, office attendant, usher, messenger, roneo operative, printer, shorthandtypist). Whatever the size and structure of the organisation, these posts demand exactly the same qualifications and entail the same duties and responsibilities.

The classification table cannot be so easily applied to posts whose importance can only be gauged by reference to factors peculiar to the organisation (structure, the tasks incumbent on each department, total establishment, etc.). In these cases the duties must be analysed and a general assessment made. The reader is referred to paragraphs 10 and 11 above.

Some organisations might find it necessary, of course, to exclude from the system of classification certain jobs peculiar to them or to place them in a special category. It might likewise be found necessary to have more or different grades in some categories. Such exceptions should not be made, however without ample justification.

4.6. Conclusion

24. The Working Party believes that a system of staff classification common to all the European organisations can be an important contribution to closer co-operation in staff matters and that every effort should be made to this end.

The main requirement is a general framework based on the concept of staff grading rather than that of departmental structure, which will continue to be determined by the specific needs of each organisation.

25. This task presents no great difficulty. The scheme proposed in this report is, to a large extent, a systématisation of the present position in the organisations. It makes no revolutionary changes, but simply improves and rationalises what already exists. It would nevertheless go far towards standardising staff grading and conditions of service in the European organisations.

If the organisations would agree upon a standard classification table and take the necessary measures to put it into operation, an important step would have been taken towards the achievement of the Working Party's aims.

Outline standard classification of posts for European organisations

CATEGORIES	GENERAL DESCRIPTION	NATURE OF DUTIES	NO. OF GRADES	EXAMPLES OF SPECIFIC POSTS									
Category A	Planning, research and administration	- charge of large administrative units	- research and advisory work	- planning and supervision	- secretary to committees, etc.	7	- director (large units carrying on one or more branches of activity)	- head of department (smaller units)	- head of division (units coordinated by a Director)	- legal, economic or financial adviser	- head of office	- assistant adviser (legal, economic or financial)	- committee secretary	- cadet grade
Category B	Executive	- supervising work of junior staff	- application of a technique or process	- technical management or supervision	- draftin g	5	- head of section	- senior clerk	- draughtsman	- minute writer and specialist stenographer	- book-keeper	- head of workshop	- manager	- technical supervisor
Category C	Clerical	- supervision of small administrative units	- responsibility for practical arrangements	- secretarial work for senior officials	- shorthand-typing	4	- head of typing pool	- clerk or ledger cler	- non-specialised stenographer	- private secretary	- bilingual secretary	bilingual shorthand-typist	- monolingual shorthand-typist	- typist
Category C (i)	Skilled workers	- supervision of small workshop teams	- skilled manual work	4	- head of offset, roneo or photographic section	- offset operator	- photographer	- draughtsman						
Category D	Messengerial and manual	Manual or predominantly manual work	3 or 4	- messenger-usher	- office attendant	- porter	- chauffeur	- storekeeper	- workshop operative	- workshop operative				

Observations

1. No attempt has been made to attach grades to the posts given as examples. Grading posts would only be worth while if it covered all possible types of employment, which would require a study beyond the scope of this report.

2 The posts in Catefories C and C(i) are of different kinds (office work in the case of Class C and technical work in the case of Category C(i) but carry similar responsabilities. They could therefore have the same salary scales. It is important, however, to distinguish between them, as they demand different types of training (general education in the one case, more technical in the other). Staff performing functions of so different a nature should not compete for promotion.

3 Linguistic posts have not been fitted into the general system. It is recommended that they form a special category of their own in view of the highly specialised nature of the work.

5. Problems of a Joint Pension Scheme

It was decided to include this analysis in the present Report in spite of its great technicality, because it seemed likely to be of interest to organisations wishing to introduce a pension scheme in the near future.

As explained in the foreword, the Working Party intends in due course to go further into this matter and put forward specific proposals.

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations		
SECTION I. GENERAL CHARACTERISTICS	I. NATURE OF SCHEME	(1) Financed from the Rudget or based on the system of capitalisation of contributions?	Capitalisation of contribution	Capitalisation of contributions	(a) If financed from the Rudget, how should sums earmarked for the pension scheme appear in the accounts? As a receipt under the Rudget or as a payment to a reserve account?
(b) If financed through a Fund, what should be the rate of capitalisation ?	3.5 % rate of interest paid by the	High Authority	3% (since 1-1-58)	2.5% before then	
(2) Should the pension scheme be on a statutory . or a contractual basis?	Statutory	Statutory			
II. SCOPE OP SCHEME	(1) Should it apply:	- to all established staff, or	- to established staff likely to make a career in the organisation, and not to staff appointed for short periods?	Applicable to temporary as well as permanent staff	All established staff appointed for at least 5 years or who actually complete 5 years service in the organisation

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations				
(2) If the scheme is to apply to all staff, should a payment be made to staff leaving the organisation without pension entitlement? If so, should this payment be made under the pension scheme or should it be charged to the budget of the organisation?	Yes, payment made from the " Pension Fund "	(3)(a) It the scheme applies only to staff likely to make a career in the organisation, what is to determine whether or not a staff member shall be affiliated to the scheme?	- automatic decision according to the nature of the contract? (note that this might necessitate an overhaul of present administrative practice as regards contracts)	- or individual decision by the Secretary-General within limits laid down by the governing body of the organisation? (for instance, only to certain grades and a specific number of posts).		Decided according to the nature and length of the contract	(b) If there are established staff excluded from the scheme, should they receive a - withdrawal benefit and, if so, how should this be financed?

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations
- What provision shall be made against mortality and disability risks?	—	Under the pension scheme on the same basis as for affiliated staff. Risks covered by contribution from the organisation. This may not exceed 6% of pensionable remuneration; the rate is now fixed at 4.5%.	
III. PENSIONABLE REMUNERATION AND BASIS FOR CALCULATING BENEFITS	(1) Should only basic salary and, where appropriate, cost-of-living allowances, qualify for pension rights or should family allowances be taken into account?	Basic salary	Basic salary
(2) What should be the basis for calculating benefits: average salary over last three years of service or salary during final year of service?	average yearly salary for last three years of service	average yearly salary for last five years of service	

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations	
In either case, should the basis for calculation be the actual salary received by the staff members over the qualifying period or the rate for his grade and step at the time when he relinquishes his duties.	Rate for the grade and step	Salary actually received		
(3) Should an exception be made to the above rule when the salary is reduced owing to a change of post in the final years of service?	In such cases, should not the benefits due be based on the yearly salary received during the 'x' consecutive years giving the highest average?	No	No	
IV. AGE OF RETIREMENT	(1) Should the age of retirement coincide with the age-limit for cessation of work?	No: Retiring age: 60 years Age limit: 6 5 years	Yes (60 years)	The Secretary-General may, however, as an exceptional measure, authorise a prolongation of service beyond the age of 60
(2) Should there be a single retiring age or a different one for men and women?	Single retiring age	Single retiring age		

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations		
SECTION II. BENEFITS	I. RETIREMENT BENEFITS	(1) Retirement at normal age	(a) What should be the full pension rate?	60 % of final average remuneration, with minimum of 120 % of the statutory minimum wage. The latter, equal to 70% of the salary for step 1 of grade 13, is now 966 E.P.U. units of Account	54% of final average remuneration
(b) What is the service qualification for entitlement to a full pension?	30 years	30 years			
(c) What is the minimum service qualification for entitlement to any pension?	8 years	8 years			
(d) What is the entitlement of a staff member who has qualified for a pension but not served long enough for a full pension?	Pension calculated at rate of 2 % of final average remuneration per year of service, with minimum of 4% of the statutory minimum wage per year of service (for the statutory minimum, see above)	Pension calculated at rate of 1/55 (or 1.818 %) of final average remuneration per year of service			
(e) What is the entitlement of a staff member who leaves before qualifying for a pension on retirement?	See 3(e) below	See 3(e) below			

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations
(2) Retirement after normal retiring age	(a) If the retiring age does not coincide with the age-limit for cessation of work, does a staff member remaining in service after the retiring age continue to contribute to the pension scheme?	Yes	Yes, when an exception is made to the rule of retirement at 60 years of age
(b) May he acquire further entitlement in respect of service after the retiring age?	Yes	Yes, when an exception is made to the rule of retirement at 60 years of age and the staff member has hot been affiliated to the pension scheme for 30 years at that age	
(c) If so, what is the nature of this entitlement: further qualifying years of service? additions to pension payable at normal retiring age? or, if contributions are continued, both?	Further qualifying years of service up to a maximum of 30 and increase of entitlement acquired at 60 years of age	Further qualifying years of service up to a maximum of 30	
(3) Departure before normal age of retirement	(a) Should the staff member receive a proportionate pension if he leaves before the normal age of retirement?	Yes	Yes

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations		
(b) What, if any, should be the maximum service qualification fora proportionate pension?	8 years	Either 15 years or half the number of years between appointment and age of 60			
(c) What form should proportionate benefits take? Immediate reduced pension? or deferred pension at retiring age? or capital payment?	Deferred or immediate pension	- capital or	- deferred annuity or	- immediate annuity or	- immediate or deferred revertible annuity
(d) Should the proportionate pension be revertible?	Revertible as to half its value	No			
(e) What is the entitlement of staff who have not served long enough to receive proportionate pension?	Refund of personal contributions plus 3.5% interest and withdrawal allowance amounting to 1.5 months of final salary for each complete year of service (unless asked to leave for inefficiency or summarily dismissed)	- staff leaving before 5 years of service:	refund of personal contributions plus interest	- staff leaving after 5 years of service:	payment of the actuarial equivalent of pension position to date
(4) Method of payment of retirement benefits	(a) May retirement benefits payable on or after the retiring age be paid wholly or partly as a lump sum?	No	- lump sum payment of not more than 1/3 of the actuarial equivalent of the pension	- lump sum payment of whole pension if less than $180 per annum	

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations	
(b) To what extent are revertible pension rights retained if retirement benefits are paid wholly or partially as a lump sum?	—	Full rights retained, except where there is lump sum payment, at time of withdrawal, of actuarial equivalent of a revertible pension		
II. DISABILITY OR DEATH BENEFITS	(1) Problems common to both types of benefit	(a) Should the "employment " risk, in which the employer's liability is incurred, be covered by the pension scheme or otherwise?	Covered by a special insurance policy	Covered by a special scheme, the benefits from which cannot be combined with those from the pension scheme
(b) Should admission to the disability and life insurance scheme depend on the results of a medical examination on appointment?	Yes	Yes		
- If so, should a person representing an abnormal risk for the pension scheme at the time of his appointment be debarred from disability and life insurance benefits permanently or only, say, for five years?	Temporarily debarred (5 years)	Temporarily debarred (5 years)		

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations			
- How far is this applicable to staff already appointed when the pension is introduced?	The five year time limit is calculated from...	—	- Should these arrangements apply when death or disability results from an accident?	They apply only to the development or consequences of an illness or infirmity established at the medical examination	No, but applicable when disability or death results from an accident or illness attributable to service in an unhealthy area	
(2) Disability benefits	(a) What is meant by disability?	- By what criteria is a state of disability assessed?	Inability to carry out duties	Inability to carry out duties owing to serious physical or mental impairment		
- What is the minimum degree of infirmity justifying use of the term disability?	—	—				
(b) Should there be a uniform rate for disability benefits or shoul dit vary according to the length of service when disability occurs?	- If the latter, should there be a minimum rate?	- If so, should all staff, whatever their age when entering the service, be entitled to the minimum rate?	Uniform rate: 60 % of the final salary from which contributions were deducted. The pension may not however be less than 120 % of the statutory minimum wage, this being equivalent to 70 % of the salary for step 1 of Grade 13, or 966 E.P.U. Units of Account. Thus the pension may not be less than 1,160 E.P.U. Units of Account	Rate varies according to length of service when disability occurs, with the following minima:	(a) 33 % of final average remuneration in the case of staff under 40 years of age on appointment;	(b) In the case of staff over 40 years of age on appointment, 9/10ths of the retiring pension to which the staff member would have been entitled if he had remained in service until he had reached the age of 60

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations	
(c) In what circumstances can the pension scheme authorities terminate payments when the incapacitated staff member is fit to resume work?	After medical examination	After medical examination		
- Should a staff member whose disability pension has been terminated but who does not return to the organisation receive a withdrawal allowance, where such an allowance exists?	No	Yes	Allowance equal to the difference between the withdrawal allowance described above and the total sums paid as disability pension	
(3) Death benefits	(a) Widow's pension:	- Should the widow's pension amount, as is usual, to 50 % of the disability pension which the staff member would have drawn if at the time of his death he satisfied the conditions qualifying for such a pension?	No. The pension is 50 % of the retirement pension to which the staff member would have been entitled at the time of his death. It may not b e less than the statutory minimum (now 966 E.P.U. Units of Account) or than 25 % of the ultimate salary of the staff member	Yes, but when the pension is less than $750 a year the amount is increased by up to 100% with a ceiling of $750 per annum.

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations			
(b) Revertible pension	- Should the revertible pension amount, as is usual, to 50% of the retirement or disability pension payable on death?	Yes	Yes	- Should the revertible pension be payable only to widows whose marriage dates from before the award of the principal retirement or disability pension	Yes	Yes

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations					
(c) Problems common to widow's and revertible pensions	- Should the widow's or revertible pension be reduced when there is a great difference of age between the staff member and his widow? If so, what should be the scale of reductions?	Yes, if the age difference less the years of marriage is more than 10 years.	Scale of reductions:	More than 10 years and less than 20: - 1%	More than 20 years and less than 25: - 2%	More than 25 years and less than 30: - 3%	More than 30 years and less than 35: - 4%	More than 35 years and less than 40: - 5%

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations
- May the widow be paid her pension in a lump sum if annuities are very small? If so, within what limits?	No	Yes, if less than $120 per annum	
- Should the pension lapse if the widow re-marries? If so, should she receive a lump sum when payments cease?	Yes. Provided that no orphan's pension is due to the children of the deceased, the widow receives a lump sum equal to two annuities	Yes. Lump sum amounting to two annuities of lapsed pension	
(d) Orphan's pension	- Should orphans'pensions be restricted to a pensioner's children born before the date of the pension settlement ?	Yes	Yes
- Should the orphan's pension be regarded entirely as a social welfare benefit and therefore be fixed at a standard rate? (For instance, twice the amount of the dependent children's allowance payable to staff in employment)	No. The pension paid is 8/10ths of the widow's or revertible pension to which the widow would have been entitled. It may not be less than 80 % of the statutory minimum or 1,100 E.P.U. Units of Account. To this is added the dependent children's allowance for each dependent child except the first	Yes	Equal to twice the dependent children's allowance

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations			
- When does the pension lapse? When the orphan reaches the age-limit for the dependent child's allowance?	Yes	Yes				
- Should there be a limit to the total amount payable in orphans' pensions in respect of one staff member or pensioner? If so, should the limit be the amount of the final average remuneration plus family allowances?	In view of the system applied, such a restriction would have no meaning	Yes, limited to the amount of final average remuneration plus family allowances paid at time of decease	(e) Widower's pension	- At the death of a married female staff member, is her husband entitled to a pension if he is certified physically unfit to earn his livelihood?	Yes	Yes
- If so, should the pension be calculated on the same basis as a widow's pension?	No, the amount of the pension is:	- either half that of the retirement pension to which the wife would have been entitled at the time of her death:	- or half that of the disability pension drawn by the wife	Yes		
(f) Payment to heirs and assigns	When a staff member who dies in the service leaves neither a widow nor orphans to whom a pension may be paid, should his personal contributions be paid to his heirs and assigns?	No, but grants are made to heirs and assigns in financial difficulty. Grants may not total more than 0.10 % of total contributory salaries	Personal contributions plus interest are paid to the person designated by the staff member			

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations
(4) Bounties for dependent children	(a) Who should receive them? Pensioners with a retirement, disability, widow's or revertible pension?	Pensioners with a retirement pension acquired at 60 years of age or pensioners over 60 years of age with a disability, widow's, widower's or revertible pension	Pensioners with a retirement, disability, widow's, widower's or revertible pension
(b) Should the bounty be paid, in the case of retirement or disability pensions, to dependent children born after settlement of the pension?	Paid only to children already born or conceived at the date of cessation of work or death	Paid only to children already born or conceived at the date of the cessation of work or death	
(c) Should the amount be equal to the dependent children's allowance payable to staff in employment?	Yes	Yes	
(d) When do payments lapse? When the child reaches the age-limit for payments of the dependent children's allowance?	As for allowance payable to staff in employment	As for allowance payable to staff in employment	
SECTION III. PAYMENT OF BENEFITS, REVALUATION	I. CURRENCY OF ACCOUNT FOR PENSION SCHEME		

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations				
- May the pension scheme currency be different from that in which salaries are expressed?	- If not, need benefits necessarily be paid in the currency of account? Could not the equivalent sums be paid in the currency of the pensioner's country of residence at the rate of exchange on the qualifying date?	Entitlement to benefits is established in the currency of the Community (E.P.U. Units of Account). The problem is therefore a somewhat different one.	Entitlement is established in the currency in which contributions were paid by the affiliated organisation for which the person worked (actually, in dollars). The problem is therefore a somewhat different one				
II. REVALUATION OF PENSIONS	- Should pensions be revalued if there is an appreciable change in the purchasing power of the currency of a member country in which pensions are paid?	- If so, what administrative and financial measures should be taken to revalue pensions when necessary?	- Should pensions paid in the currency of account be revalued on the same basis as salary payable to staff in employment?	No	—	Yes, any revision of salary scales is accompanied by automatic adjustment of pensions	There is no provision for revaluation, but the question is under review and will shortly be dealt with in a report by the Pension Committee
SECTION IV. FINANCING OF PENSION SCHEME	I. RESOURCES OF SCHEME	(a) Should the total amount of contributions be such as to give a margin of safety?	—	Yes			
(b) What should be the percentage for total contributions?	24%	21%					
(c) What should be the proportion of total contributions paid by	1/3 staff: 2/3 organisation	1/3 staff: 2/3 organisation					
II. FINANCIAL SOUNDNESS	(a) How frequently should there be actuarial checks on the financial soundness of the scheme?	Every three years	Every three years				

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations		
(b) Should there be an actuarial check whenr ever there is a change in one of the factors determining the cost of the scheme?	No	Yes			
(c) Who should cover any deficits?	Not provided for	The organisations affiliated to the Fund	(b) How can financial imbalance be prevented? By altering the system of benefits? By altering the rates of contribution? If these methods are adopted, how will they affect staff already in the service?	No precise rule has been laid down, but there is a general rule in the Staff Regulations whereby ' changes shall take effect on the date laid down by the Committee of Presidents, without prejudice to any benefit entitlement acquired by staff members during the period prior to such changes'.	Rights required by affiliated staff members prior to the date on which an amendment to the regulations of the Fund takes effect are unaffected by such amendment

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations					
SECTION V. ADMINISTRATION OF THE SCHEME[5]	I. LEGAL SYSTEM OF THE PENSION FUND	(a) Should the Pension Fund be regarded as a branch of the organisation with special administrative rules, or should it have a juridical personality distinct from that of the organisation?	There is nofprovision for a pension fund under the system. Implementation of the clauses in the staff regulations relating to the pension scheme is a matter mainly for the High Authority, but also for each of its institutions as regards its own officials	The pension scheme is run by a service attached to the United Nations. It has its own administrative rules	(b)What authority should be responsible for management of the Fund? The head official of the organisation? or a specially appointed committee?	There is no special body responsible forf| management of the scheme	The Staff Pension Board	If R a p f e m s e p t e e s i w b a s t b e b f b s c g i m p b s b f e b f a ? b e g f i s a t e d o r g a n i s a t i o n

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations
II. ADMINISTRATIVE ARRANGEMENTS	(a) Should the administration be placed under the general control of the governing body of the organisation and divided among the various competent departments or should it be in the hands of a specially created office?	—	In the hands of a special office responsible to the Staff Pension Board
(b) May the same person fulfil the functions of medical adviser to the Fund and medical consultant to the Organisation?	—	Yes	
(c) Who will bear the administrative costs of the Fund?	The Institutions	The administrative costs of the Joint Staff Pension Board are borne by the Fund The administrative costs of the Staff Pension Committee of each affiliated Organisation are charged to the Organisation's budget	
III. FINANCIAL ARRANGEMENTS	(a) Who decides how the assets oí the Fund shall be invested? The head official of the Organisation or the board of management of the Fund?	The assets belong to the High Authority, which is responsible for their administration	The United Nations' Secretary-General

5. The problems listed in Section V are those which arise in a system financed by means of a pension fund.

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations
- Should there be a committee to advise on investment? If so, who should appoint members of the investment committee?	—	Yes, members are appointed by the Secretary-General after consultation with the Advisory Committee for Administrative and Budgetary Questions	
(b) Who audits the accounts of the Fund and at what intervals?	—	The Auditors to the United Nations	
IV. SUPERVISION	(a) Who supervises the administration of the Fund?	—	United Nations General Assembly
(b) Should an annual report be submitted to the Central Committee of the Organisation?	No	Annual report to the United Nations General Assembly	
V. APPEAL AGAINST DECISIONS BY THE MANAGEMENT	(a) May decisions in individual cases be contested by the staff members concerned?	Yes	Yes
(b) If so, what authority is empowered to settle disputes? The normal administrative courts or a specially created body?	The normal administrative court viz. the Court of Justice	The normal administrative court viz. the United Nations Administrative Tribunal	
(c) If the dispute turns on a medical point, may the court call in a medical expert? If so, how is he to be appointed?	—	—	

The problems of a pension scheme	Solutions adopted	by the E.C.S.C.	by the United Nations
SECTION VI. MISCELLANEOUS	(a) What is the fiscal position of the pensioner?	—	Subject to the fiscal laws of his country of residence
	(b) Can a staff member be deprived of all or some of his pension rights as a disciplinary measure?	Summary dismissal automaticalfly entails loss of the severance allowance	Yes. The Fund Committee follows the recommendations of the authority responsible for appointments
	(c) Should there be special arrangements for national civil servants seconded to the organisation?	No	No, unless they have a fixed term contract of less than five years
	(d) Are any special arrangements required to settle cases of transfer between two organisations with identical or joint pension schemes?	Yes	No

B.

Appendix APPENDIX

List of experts who have attended some or all of the meetings of the Working Party and Committees

I. EXPERTS FROM THE ORGANISATIONS

Central Commission for the Navigation of the Rhine: M. H. WALTHER, Secretary-General.

European Coal and Steel Community, Special Council of Ministers: M. A. ZIPCY, Director (observer).

High Authority: M. Rossi, Deputy Director (Observer).

European Parliamentary Assembly: M. GENUARDI, Head of Administrative Division (Observer) ; M. J. CI. CAVOUKDJIAN-GALLI, Head of Personnel Office (Observer).

Council of Europe: M. A. DAUSSIN, (Vice-Chairman), Director of Administration. M. A. LOTH, Head of Finance Division ; M. H. GOLSONG (Secretary), Secretary ; M. J. PICARD {Secretary), Second Secretary.

Organisation for European Economic Cooperation: M. J. BERNIER, Director of Administration and Conferences ; M.R. GRÉGOIRE (Chairman), Director of the European Productivity Agency; Mr. E. A. KERN, Head of Finance Division; Mm e WACRENIER, Administrative Officer; Mr. J. P. PAPY, Administrative Officer.

European Organisation for Nuclear Research (C.E.R.N.): Mr. R. W . PENNEY, Head of Personnel (Observer).

North Atlantic Treaty Organisation: M. W. J. de VRIES, Head of Personnel (Observer).

Western European Union: Colonel W . H. J . COURTIS, Head of Administration.

II. GOVERNMENT EXPERTS

Belgium: M. A. MOLITOR, Head of Private Office of the Minister of Justice, Director-General at the Ministry of Education.

France: M. P. CHATENET, Head of the Civil Service ; M. J. LAMORLETTE, Directorate of the Civil Service.

Federal Republic of Germany: M. K. HAACK, Ministry of the Interior ; M. J. DEUTZ, Ministry of the Interior ; M. BURSCHE, Ministry of the Interior ; M. H. H. WALLICHS, Ministry of Foreign Affairs ; M. VIEHMANN, Ministry of Foreign Affairs.

Netherlands: M. N. C. de GROOT van EMBDEN, Financial Attaché to the Netherlands Embassy in Paris ; M. G. H . van HERWAARDEN, Ministry of the Interior.

Turkey : M. M. N. IMRE, Ministry of Foreign Affairs.

United Kingdom: Mr. R. W. F. JOHNSTON (Vice-Chairman), British Delegation to N.A.T.O. and O.E.E.C.