

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/1644

24 November 1961

Limited Distribution

CONTRACTING PARTIES
Nineteenth Session

ADMINISTRATIVE AND FINANCIAL QUESTIONS

Classification of Geneva for Purpose of Post Adjustment Applicable to Staff in the Professional Category

Note by the Executive Secretary

1. In document L/1210 of 30 May 1960 the CONTRACTING PARTIES were informed that the Expert Committee on Post Adjustments had made the following recommendations:
 - (a) The present local Geneva index is not appropriate for the measurement of changes of cost of living for international staff and considerably understates the movements in the cost of living for such officials. The Committee therefore recommends the construction of a new index reflecting more accurately the expenditure pattern of international officials.
 - (b) The base for this index should be set at 1 January 1956 = 100, as recommended by the Salary Review Committee.
 - (c) The statistical investigations indicate that the actual rise in the cost of living in Geneva for international officials in comparison with the base date of 1 January 1956 has been in excess of 10 per cent, thereby automatically warranting a move from class 2 (105) to class 3 (110) in Geneva for purpose of post adjustment. In this connexion, it should be noted that the nine-months' average of the official local cost of living index had already moved to 110 by March 1960 and had theretofore been close to 110 for a considerable period of time.
2. Subsequently the CONTRACTING PARTIES approved the movement from class 2 (105) to class 3 (110) effective 1 May 1960.
3. Meanwhile the special index for international officials in Geneva recommended in paragraph 1 (a) has been established with the assistance of the Federal Office of Statistics of Switzerland, and the index, after full examination and approval by the Expert Committee on Post Adjustments, has been adopted by all Geneva-based international organizations. Between May 1960, when the last reclassification took place, and March 1961, the special index has moved from 110 to 114. Since March 1961 the movement of the special index and of the nine-months' average, which is the figure at present applicable in determining changes in Geneva, have been as follows:

Date	Index figure	Nine-months' average figure
March 1961	114.3	112.2
April 1961	115.0	112.7
May 1961	115.6	113.2
June 1961	116.2	113.8
July 1961	116.9	114.4
August 1961	117.6	115.0
September 1961	118.2	115.7

4. It will be seen from the above that the nine-months' average figure reached 115 in August 1961 (on the basis 1 January 1956 = 100).

5. Within the present system as approved by the Salary Review Committee, the Expert Committee on Post Adjustments and the ACC, the classification of each duty station shall be subject to alteration according to local cost of living variations of five points averaged over a period of nine months. Such reclassifications are automatic.

6. The Executive Secretary therefore proposes to apply class 4 as from 1 September 1961 until 31 December 1961. The additional cost to the 1961 budget, amounting to approximately US\$5,300, can be absorbed out of savings.

7. As regards 1962 the proposed new scales of salaries and post adjustments for professional staff and above (document L/1578 and annexes and document L/1643) will have the effect of reducing the figures for the special post adjustment index to 100/110ths of their level under the current system. This would represent a figure of 105.2 for the nine months ending September 1961 under the new system, and would put Geneva automatically in class 1 on 1 January 1962 (corresponding to class 4 under the current system). Whilst therefore in all probability Geneva will qualify for the class 1 adjustment (present class 4) as from 1 January 1962, the Executive Secretary does not wish to seek authority for automatic implementation of class 1 until the year 1961 has ended. Depending on the movement of the special index during the coming months, and after consultation with the United Nations and the executive heads of the Geneva-based organizations, the Executive Secretary intends to make the necessary proposals to the Council at an early session in 1962.

Points for decision: paragraph 6.