



FOURTEENTH ITEM ON THE AGENDA

Report of the International Civil Service Commission

1. This report outlines a number of recommendations of the International Civil Service Commission (ICSC) that have been submitted to the United Nations General Assembly (UNGA) in its annual report for 2001.¹ The recommendations have financial implications for the Office and are submitted to the Programme, Financial and Administrative Committee for early consideration so as to avoid the need for costly retroactive adjustments. The recommendations concern the base/floor salary scale for staff in the Professional and higher categories. The document also outlines changes proposed to certain other conditions of service, some of which have further financial implications.
2. The Committee will not be able to consider the decisions of the United Nations General Assembly on the ICSC's recommendations at the present session of the Governing Body, as those decisions are unlikely to be made before mid-December 2001. A detailed report on the outcome of the discussions in the General Assembly will be provided to the Committee in March 2002.

Base/floor salary scale

3. The ICSC has recommended an increase of 3.87 per cent, effective from 1 March 2002, in the base/floor salary scale for staff in the Professional and higher categories. This recommendation, which has been calculated on the basis of agreed methodology, reflects the increase in salaries of equivalent staff in the United States federal civil service in 2001. This salary adjustment will be applied in the normal way by consolidating post adjustment multiplier points into the base salary on a no-loss/no-gain basis. This will mean that only staff members at duty stations having a low post adjustment (i.e. below 3.87 percentage points) will receive an increase in their net remuneration. An amendment to article 3.1 of the Staff Regulations will be required to implement the salary adjustment.
4. Consequential increases in the mobility and hardship allowance and separation payments will also result from this salary adjustment.

¹ General Assembly, Official Records, 56th session, Supplement No. 30 (A/56/30).

Other issues

5. The ICSC recommended to the UN General Assembly that as of 1 January 2001 the euro should be used as the official currency for those emoluments which are currently set in the national currencies of the 12 euro-zone countries. The national currency amounts would be converted by applying the respective fixed conversion rates and then rounded up or down to the nearest euro. Converted values of the education grant, children's and secondary dependant's allowances (as well as the General Service salary scales as applicable) for nine currency areas, effective 1 January 2002, are also recommended to the General Assembly.
6. After taking into account the views of the Administrative Committee on Coordination, the organizations and the staff representatives, the ICSC decided to adopt the updated *standards of conduct* and to recommend them to the General Assembly and to the legislative organs of the other participating organizations.
7. The ICSC noted the work carried out by its open-ended working group on the *comprehensive review of the pay and benefits system* which was presented as an interim report. Pending submission of the Commission's report to the General Assembly at its 57th session, the ICSC requests the Assembly to take note of progress to date and the ideas and approaches which the Commission will further consider and develop. In addition, the Commission decided that future work on the subject of *contractual arrangements* should be integrated into the review of the pay and benefits system.

Financial implications

8. The cost of implementing the ICSC's recommendations concerning the increase of 3.87 per cent in the base/floor salary scale (paragraph 3) and in related allowances/payments (paragraph 4) are covered by provisions made for that purpose in the Programme and Budget for 2002-03.
9. *The Committee may wish to recommend that the Governing Body –*
 - (a) *accept the recommendations of the ICSC, subject to their approval by the United Nations General Assembly, on the following entitlements:*
 - (i) *an increase of 3.87 per cent in the base/floor salary scale, and*
 - (ii) *consequential increases in the mobility and hardship allowance and separation payments, for staff in the Professional and higher categories, with effect from 1 March 2002; and*
 - (b) *authorize the Director-General to give effect in the ILO, through amendments to the Staff Regulations (as necessary), to the measures referred to in subparagraph (a), subject to their approval by the General Assembly.*

Geneva, 23 October 2001.

Point for decision: Paragraph 9.