



Governing Body

312th Session, Geneva, November 2011

GB.312/PFA/13

Programme, Financial and Administrative Section
Personnel Segment

PFA

THIRTEENTH ITEM ON THE AGENDA

Report of the International Civil Service Commission

Overview

Summary

Prior consideration of the recommendation of the ICSC concerning an increase in the base salary scale for the professional and higher categories which would have financial implications as from 1 January 2012 if it is approved by the United Nations General Assembly in 2011.

Review of frequency and timing of reporting on common system issues and decisions.

Policy implications

None.

Legal implications

Amendments to the Staff Regulations consequential to the review of the salary levels, as well as those necessary to delegate authority to the Director-General regarding the implementation of common system decisions.

Financial implications

Cost increases are covered by provisions made for that purpose in the Programme and Budget for 2012–13.

Decision required

Paragraphs 5 and 12.

Follow-up action required

None.

Author unit

Human Resources Development Department (HRD).

References to other Governing Body documents and ILO instruments

GB.192/PFA/17.3, GB.195/13/44, GB.279/PFA/12, GB.279/PFA/12(Add.1), GB.289/PFA/17, GB.303/PFA/14.

1. This paper outlines the recommendation contained in the 2011 annual report of the International Civil Service Commission (ICSC) which, if approved by the United Nations General Assembly (UNGA) in late 2011, will have immediate financial implications for the Office as from 1 January 2012. The recommendation is submitted to the Governing Body at this time so as to avoid the need for retroactive payroll adjustments. A detailed report on the ICSC 2011 activities and related decisions of the UNGA will be provided to the Programme, Financial and Administrative Section in March 2012, as decided by the Governing Body at its 289th Session. In light of the new format of Governing Body meetings and the rationale for it, this paper also contains a proposal to streamline the role of the Governing Body in the implementation within the ILO of modifications to the United Nations common system of conditions of employment.

I. ICSC recommendation with financial implications as from 1 January 2012: Base/floor salary scale for the Professional and higher categories

2. The base/floor salary scale for the Professional and higher categories is set by reference to the General Schedule salary scale of the United States federal civil service. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials with the corresponding salaries of their counterparts in the United States federal civil service. Despite a freeze in federal civil service gross salaries in the United States throughout 2011 and 2012, minor adjustments in federal tax legislation have resulted in a slight increase of net salary levels of 0.13 per cent compared to 2010. A corresponding adjustment of 0.13 per cent will be necessary in the United Nations common system of professional and higher categories salary scale in order to maintain the alignment.
3. Accordingly, the ICSC decided to recommend to the UNGA that the current base/floor salary scale for the Professional and higher categories be increased by 0.13 per cent through standard consolidation procedures, on a no-loss/no-gain basis, with effect from 1 January 2012. Consequential increases in separation payments will however result from this salary adjustment.
4. The cost of implementing this ICSC recommendation is covered by provisions made for that purpose in the Programme and Budget for 2012–13.
5. *The Governing Body may wish to accept the recommendation of the ICSC on the increase of 0.13 per cent in the base/floor salary and consequential increases in separation payments, for staff in the Professional and higher categories, and to authorize the Director-General to give effect in the ILO, through amendments to the Staff Regulations, to this increase, subject to its approval by the General Assembly.*

II. Frequency and timing of reporting of common system recommendations and decisions

6. In 1975 the ILO Governing Body accepted the Statute of the ICSC,¹ and article 14.7 of the Staff Regulations (Amendments to the Staff Regulations) was modified to reflect the distinction in the Commission's Statute between the areas where the ICSC has decision-making authority and those where final authority on common system conditions of employment rests with the General Assembly. Since then, the Director-General has had a delegated authority to amend the Staff Regulations in line with any modification decided by the Commission under its own authority. Amendments to the Staff Regulations giving effect to modifications of common system conditions of employment which are decided by the General Assembly continue to require formal approval of the Governing Body before they can be implemented in the ILO.
7. In 2004, as a means of reducing the amount of documentation for the Governing Body, it was agreed that a single report would be prepared covering the ICSC annual report for the previous year and the decisions on that report made by the General Assembly.² However, because some decisions of the UNGA made in late November or December take effect as of 1 January of the following year, the Office is often compelled to seek prior conditional approval of the Governing Body at its November session, so that the Director-General can implement any decision of the UNGA in early January, thus avoiding retroactive adjustments in staff entitlements. This results in practice in the Governing Body being required to consider common system issues twice a year.
8. In the context of the recent Governing Body reform aimed at further rationalizing its work and limiting its documentation to matters requiring its direct involvement and decision, the Governing Body could consider an amendment to the Staff Regulations to create a standing delegation of authority to the Director-General to implement, through amendments to the Staff Regulations, routine decisions of the General Assembly concerning changes in common system salaries and entitlements, such as regular increments in the base salary for professional staff, regular reviews of family allowances and education grant levels, etc. As a consequence, the Office would only need to report to the Governing Body on common system issues and consequential amendments to the Staff Regulations once a year, normally at its Spring session. Such a report would typically be for information only.
9. The delegation of such authority to the Director-General to amend the Staff Regulations might also usefully cover non-common system issues in line with a previous decision of the Governing Body in 1974. The Governing Body at that time delegated authority to the Director-General to amend the Staff Regulations where: (i) the issue had no significant financial and policy implications and was not controversial or objectionable to the staff representatives; and (ii) the amendment was in line with policies of the other major international organizations.³ The intention behind this delegation of authority was also to lighten the administrative burden of the Governing Body and to provide the Office with the flexibility necessary to update the conditions of employment in line with agreements in the UN common system.

¹ GB.195/13/44.

² GB.289/PFA/17, para. 5.

³ GB.192/PFA/17/3, para. 3.

10. The institutionalization of such delegated authority could be effected through the following changes in article 14.7 of the Staff Regulations:

Subject to the approval of the Governing Body, these Regulations may be amended, without prejudice to the acquired rights of officials, by the Director-General after consulting the Joint Negotiating Committee. The Director-General ~~shall~~ may also amend the Regulations, without prejudice to the acquired rights of officials, and after consulting the Joint Negotiating Committee, in order to give effect to decisions of the International Civil Service Commission and of the General Assembly on the recommendation of the Commission concerning (1) salary scales; (2) rates of allowances and benefits ~~(other than pensions, dependency allowances, education grant, home leave, repatriation grant and termination indemnity)~~, the conditions of entitlement thereto, and standards of travel; and ~~(23)~~ the classification of duty stations for the purpose of applying post adjustments; as well as in respect of non-controversial issues with no significant financial and policy implications; the Governing Body shall be informed of such amendments.

11. Thus, the proposed delegation of authority to the Director-General to amend the Staff Regulations would be subject to four conditions, regardless of whether the amendments relate to common system issues or not:

- (a) that any proposed amendment be without prejudice to the acquired rights of officials;
- (b) that proposed amendments be non-controversial, that is, that they not be objectionable to the Staff Union;⁴
- (c) that they have no major financial implications, that is, that the resulting cost can be absorbed in the approved programme and budget; and
- (d) that they have no major policy implication, that is, that they are in line with the policy and practice of the organizations applying the common system.

Any amendment that failed to meet all of these conditions would have to be submitted to the Governing Body.

12. *The Governing Body may wish to approve the timing and frequency of the Office's report on the decisions of the ICSC and the General Assembly on common system issues as described in paragraph 8 above and to amend article 14.7 of the Staff Regulations as proposed in paragraph 10.*

Geneva, 14 September 2011

Points for decision: Paragraph 5
Paragraph 12

⁴ In accordance with the Recognition and Procedural Agreement concluded with the Staff Union in 2000 and the resulting modifications to the Staff Regulations, the Joint Negotiating Committee reviews any proposed amendment to the Staff Regulations – see GB.279/PFA/12, Appendix I and GB.279/PFA/12(Add.1).