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FOR INFORMATION

## Decisions of the United Nations General Assembly on the report of the International Civil Service Commission

**Summary:** This report covers the decisions made by the United Nations General Assembly on the report of the International Civil Service Commission for 2016.

**Author unit:** Human Resources Development Department (HRD).

**Related documents:** GB.312/PFA/13, GB.312/PV, GB.317/PFA/INF/3, GB.319/PFA/11, GB.319/PFA/PV, GB.320/PFA/INF/5, GB.322/PFA/10(&Corr.).



1. Every autumn, the United Nations (UN) General Assembly considers the annual report of the International Civil Service Commission (ICSC) and, by December, takes decisions on the recommendations of the Commission that fall under its authority in accordance with article 10 of the ICSC Statute, so that such decisions can be implemented as of 1 January of the following year.
2. Every March, the Office provides the Governing Body with a summary of those decisions and highlights other aspects of the annual report of the ICSC that are relevant to the ILO and its staff, including with regard to any changes to the conditions of employment decided by the Commission under its own authority.
3. This paper provides information on the report of the ICSC for 2016 <sup>1</sup> and the decisions taken by the UN General Assembly at its 71st session (2016) <sup>2</sup> in relation to the recommendations contained in the report. Decisions of the Commission and of the General Assembly are normally implemented in the ILO under the Director-General's delegated authority concerning common system conditions of employment. <sup>3</sup>

## **I. Conditions of service of staff in the Professional and higher categories**

### **A. Base salary**

4. The base/floor salary scale for the Professional and higher categories is set with reference to the General Schedule salary scale of the United States federal civil service excluding any locality pay. Periodic adjustments are made on the basis of a comparison of net base salaries of UN officials at the midpoint of the scale (P4, step VI) with the corresponding salaries of their counterparts in the United States federal civil service. These adjustments are implemented by consolidating post adjustment points into the base/floor salary, that is, by increasing base salary while commensurately reducing post adjustment.
5. The Commission was informed that a 1 per cent increase had been implemented in the comparator's base General Schedule effective 1 January 2016. Minor changes were also introduced in the United States tax schedules at the federal level for 2016.
6. In accordance with the normal adjustment procedure, in order to reflect the salary increase in the General Schedule as well as the impact of the tax changes referred to above, the base/floor scale was adjusted upward as of 1 January 2017 by 1.02 per cent over the unified scale previously adopted in its resolution 70/244. The Commission therefore recommended a corresponding adjustment of 1.02 per cent over the unified salary scale previously approved by the Assembly, to be implemented through standard consolidation procedures by increasing the base salary and commensurately reducing post adjustment multiplier points on a no-loss/no-gain basis, resulting in no change in net take-home pay. The cost of implementing the General Assembly's Resolution is negligible and is covered in the provisions made for that purpose in the Programme and Budget for 2016–17.

<sup>1</sup> General Assembly, Official records, 71st session (A/71/30), available on the ICSC website at <http://icsc.un.org/library/default.asp?list=AnnualRep>.

<sup>2</sup> A/RES/71/264.

<sup>3</sup> See GB.312/PV, para. 751(b).

**B. Evolution of the net remuneration margin**

7. Under a standing mandate from the General Assembly, the Commission reviews the relationship between the net remuneration of United Nations officials in the Professional and higher categories in New York and that of the United States federal civil service officials in comparable positions in Washington, DC. For that purpose, the Commission annually tracks changes occurring in the remuneration levels of both civil services.
8. As requested by the General Assembly, the Commission continues action to bring the calendar year margin to around the desirable midpoint; it is recalled that if the margin trigger levels of 113 or 117 were reached, the Commission should take appropriate action through the operation of the post adjustment system. As of 1 January 2016, the comparator civil service had implemented a 1.46 per cent increase in the General Schedule in the Washington, DC locality. On this basis, combined with slight reductions in overall income taxes in the Washington, DC metropolitan area and a post adjustment multiplier of 64.9 in New York for 2016, and a revised cost-of-living differential between New York and Washington, DC of 113.8, the Commission noted that the estimated net remuneration margin for 2016 amounted to 114.1, with the corresponding five-year average (2012 to 2016) amounting to 117.
9. The General Assembly noted that the estimated margin between net remunerations of the United Nations staff in grades P1 to D2 in New York and that of officials of comparable positions in the United States federal civil service in Washington, DC is below the desirable midpoint of 115 and within the bracket from 113 to 117. The General Assembly reaffirmed its understanding that the margin would be maintained at a level around the desirable midpoint of 115 over a period of time and recalled its decision that the Commission should continue monitoring the level of the margin and take the necessary corrective action through the operation of the post adjustment system if the margin trigger levels of 113 to 117 are breached.

**C. Post adjustment matters**

10. Pursuant to article 11 of its statute, the Commission continued to keep under review the operation of the post adjustment system and, in that context, considered the report and recommendations of the Advisory Committee on Post Adjustment Questions at its 38th session. The Commission considered and approved, *inter alia*, the Committee's recommendations on methodological issues pertaining to the 2016 round of cost-of-living surveys, including the list of items and specifications in the market basket to be used for price data collection, the redesign of all survey data-collection forms, the *modus operandi* for the use of price data collected for purposes of establishing post adjustment for the covered group I duty stations, the inclusion of staff at the D2 grade level in the population of staff eligible for the surveys, and the schedule for the baseline 2016 cost-of-living surveys.

**D. Review of the level of existing allowances**

11. In its resolution 70/244, the General Assembly requested the Commission to review all allowances under its purview in order to assess the requirements for upward revisions. The secretariat of the Commission had submitted a proposal presenting an outline of the existing allowances divided into two broad groups: (a) field allowances and relocation-related payments (hardship allowance, mobility incentives, non-family service allowance, danger pay, and security evacuation allowance); and (b) dependency allowances and the education grant scheme; and suggested possible adjustment cycles. The Commission agreed to review the level of the aforementioned allowances in accordance with the proposed schedule.

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## **E. Gender balance and equitable geographical representation**

12. The Assembly requested the Commission to continue to provide it with information, at the General Assembly's 72nd session (i.e. in 2017) on the progress made by organizations of the United Nations common system in the implementation of existing gender policies and measures towards achieving the goal of 50/50 gender balance and strengthening geographical diversity in the common system.

## **II. Conditions of service of the General Service and other locally recruited staff**

13. On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at headquarters and similar duty stations, the International Civil Service Commission conducted a survey in Geneva, with a reference date of September 2015. The recommended salary scale which is 1.8 per cent lower than the scale in effect at the reference date was implemented for newly recruited staff from 1 June 2016.
14. On the issue of allowances, the General Assembly in its resolution 70/244 discontinued the freeze on allowances for staff in the General Service and related categories with effect from 1 January 2016. Following this decision, the Commission at its 82nd session requested its secretariat to conduct an ad hoc one-time review of the levels of the dependency allowances for various duty stations, including Geneva, which otherwise would not have been reviewed until the next round of surveys. The revised allowances for spouse, children, first dependent child of a single/divorced staff member and secondary dependent were implemented from September 2016.
15. The General Assembly noted in its resolution 69/251 the intention of the Commission to review the compensation package for the General Service and National Professional Officer categories of staff once the review of the Professional and higher categories is completed. At its 82nd session in 2016, the Commission reviewed two documents on the use of staff categories in the common system concerning apparent overlaps of functions between categories and the differing practices among organizations with regard to the use of National Professional Officers. As a result of extensive discussions, the Commission requested its secretariat to undertake further studies on the use of the various categories of personnel, and to develop in a report options on their use.
16. Finally, the General Assembly requested the Commission to consider, during its next review of the General Service salary survey methodologies, the possibility of further increases in the weight of the local national civil services among the retained employers, taking into account that the United Nations is a civil service organization, as well as past experiences of the Commission from the previous round of surveys.

### **III. Conditions of service applicable to both categories of staff**

#### **A. Review of the implementation of the contractual arrangements framework**

17. Pursuant to a request made by the Commission at its 75th session in 2012, the secretariat submitted a document containing updated details on the implementation status of the ICSC framework for contractual arrangements throughout the common system. In a survey conducted by the secretariat in April 2016, a number of organizations reported that they had implemented changes in their contractual policies, and others reported that they were contemplating a review of contractual policies in the near future. The large majority of organizations indicated that the current contractual framework met their needs and some of them suggested that the framework should allow more flexibility with respect to employing staff for project functions. Other concerns raised were related to voluntary funding, continuously evolving mandates and the needs of stakeholders that required a versatile and flexible workforce. Several organizations mentioned that they would like to see an introduction of another more agile medium-term type of appointment or removal of some of the restrictions currently in place as many projects are typically of a two- to four-year duration. In conclusion, the Commission encouraged the organizations to follow the guidelines of the framework for contractual arrangements when considering and introducing any changes to the contractual status of staff in order to align their contractual arrangements with those of the common system.

#### **B. Separation payments**

18. The General Assembly in its resolution 65/248 decided to revert at its 71st session to the Commission recommendation regarding the introduction of end-of-service pay in the organizations of the common system for fixed-term staff involuntarily separating from the organization upon the expiration of their contract after ten or more years of continuous service. Further research on prevailing practices by other national, regional and international organizations as well as trends of staff separation in the common system was conducted and the results were presented for the Commission's review. The Commission was of the view that providing severance pay to long-serving staff separating from the organization at the expiration of their fixed-term contracts seemed reasonable. Following discussions with the Human Resources Network and the staff federations, the Commission decided to submit its earlier recommendation to the General Assembly that end-of-service severance pay be introduced for fixed-term staff separating from the organization upon the expiration of contract after ten or more years of continuous service.

19. The Assembly recognized in its resolution that a decision must be taken and requested the Commission to undertake a comprehensive analysis, in consultation with relevant stakeholders, on the effect of establishing end-of-service severance pay for staff serving under fixed-term appointments. The Commission was asked to report thereon at the General Assembly's 73rd session (i.e. in 2018) in order for a decision to be taken on the recommendation and, as appropriate, the implementation date.

Geneva, 9 February 2017