INTERNATIONAL LABOUR OFFICE

Governing Body
310th Session, Geneva, March 2011 **GB.310/PFA/12**

Programme, Financial and Administrative Committee **PFA**

FOR DECISION

TWELFTH ITEM ON THE AGENDA

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

Overview

Issues covered

This report covers the decisions taken by the General Assembly of the United Nations concerning the recommendations contained in the 2010 report of the International Civil Service Commission, and in particular a revised base salary and dependants' allowances for staff in the Professional and higher categories, revised levels in the education grant and a proposed harmonized entitlement in respect of officials assigned to non-family duty stations.

Policy implications

None.

Legal implications

Amendments to the Staff Regulations consequent to the revised levels of the education grant and to the introduction of an additional element in the mobility and hardship allowance scheme.

Financial implications

Cost increases are covered by provisions made for that purpose in the Programme and Budget for 2010–11.

Decision required

Paragraph 22.

References to other Governing Body documents and ILO instruments

GB.309/PFA/13, GB.309/11(Rev.), GB.283/PFA/16/1, GB.283/9/2.

1. This paper provides information on the report of the International Civil Service Commission (ICSC) for 2010 [1] and the decisions relevant to the ILO taken by the United Nations General Assembly at its 65th Session (2010) [2] concerning the recommendations contained in the report.

A. Conditions of service of staff in the Professional and higher categories

1. Base salary and family allowances

2. At its 309th Session (November 2010), the Governing Body accepted the recommendations of the ICSC concerning a 1.37 per cent increase of the base/floor salary scale on a "no loss/no gain" basis, as well as a review of the level of the children's and secondary dependants' allowances, and authorized the Director-General to implement them, subject to their approval by the UN General Assembly. [3]

3. The UN General Assembly has now approved these recommendations which have been implemented effective 1 January 2011 through amendments to articles 3.1 and 3.12 of the ILO Staff Regulations.

2. Evolution of the net remuneration margin

4. The ICSC regularly carries out comparisons of the net remuneration of United Nations staff in grades P1 to D2 in New York with that of the United States federal civil service employees in comparable positions in Washington DC. The average percentage difference in the remuneration of the two civil services, adjusted for the cost-of-living differential between New York and Washington, is the net remuneration margin.

5. The UN General Assembly reaffirmed that the range of 110 to 120 for the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and the officials in comparable positions in the comparator civil service should continue to apply, on the understanding that the margin would be maintained at a level around the desirable midpoint of 115 over a period of time. While the margin for the period 1 January to 31 December 2010 was estimated at 113.3 (compared to 113.8 in 2009), the average margin level for the past five years (2006–10) stood at 114.

3. Conditions of service in the field: Harmonization of the conditions of service for staff serving in non-family duty stations

6. At its 283rd Session (March 2002), the Governing Body authorized the Director-General to introduce an allowance for ILO staff members assigned to non-family duty stations, as

[1] General Assembly, Official Records, 65th Session, Supplement No. 30 (A/65/30), available online on the ICSC website: http://icsc.un.org/resources/pdfs/ar/2010AR_ADVANCE.pdf.

[2] A/RES/65/248.

[3] GB.309/11(Rev.), para. 252.

classified under the United Nations security management system. [4] Although not applied by all the organizations of the common system, the purpose of this allowance is to provide some form of compensation for the maintenance of a second household when officials with dependants are assigned to a duty station where the presence of the dependants is not permitted. It consists either of a Special Operations Living Allowance (SOLA) in respect of staff members assigned to duty stations where the Special Operations Approach (SOA) applies, or of an Extended Monthly Security Evacuation Allowance (EMSEA) as provided for in the Field Security Handbook in respect of staff members assigned to a non-family duty station not covered by SOA. In both cases, the allowances are calculated on the basis of location-specific data and vary from place to place. SOLA is calculated on the basis of the after-30-day rate of mission subsistence allowance (MSA) or, in the absence of the MSA, the after-60-day rate of daily subsistence allowance (DSA). EMSEA is calculated by applying the rental threshold percentage of the salary (net salary plus post adjustment) of a single staff member at the P4 step VI level, for the period during which the family members are not allowed to join the staff member at the duty station.

7. In view of the few staff concerned in the ILO [5] and of the burden associated with the implementation of the full range of administrative arrangements under SOA, the Office operated on the basis of a flat amount of SOLA corresponding to a percentage of the full rate applied by other UN system organizations. Where applicable, the Office followed EMSEA as determined by the United Nations.

8. In order to harmonize and simplify the varying practices and compensation packages paid to staff members assigned to non-family duty stations, but also with a view to extending compensation to staff members without dependants in recognition of the additional costs related to service in particularly difficult duty stations, the General Assembly approved the replacement of existing compensation packages (EMSEA and SOLA) by the introduction, as of 1 July 2011, of an additional element in the current mobility, hardship and non-removal allowance scheme in respect of all staff recruited after that date for service in a non-family duty station.

9. The new allowance will correspond to the equivalent of the hardship allowance at the dependency rate for staff paid at that rate in category E duty stations (the most difficult duty stations), and 50 per cent of the allowance at the single rate for officials paid at the single rate in category E duty stations:

Additional allowance (annual amounts in US dollars)

Grade band	Dependency rate	Single rate
P1–P3	17 016	6 384
P4–P5	20 412	7 656
D1–D2	22 680	8 508

10. Recognizing that the replacement of existing benefits under EMSEA or SOLA could represent a dramatic change in certain cases, the General Assembly approved a phased implementation over a period of five years.

[4] GB.283/PFA/16/1; GB.283/9/2, para. 54.

[5] There was only one staff member concerned in 2002. On 1 January 2011, there were 11 staff members assigned to five non-family duty stations in receipt of SOLA, mainly in technical cooperation projects. One further staff member at another non-family duty station was in receipt of EMSEA.

11. In reviewing the conditions of service in non-family duty stations, the General Assembly also requested the Commission to review and regulate the operation of the rest and recuperation framework (also applicable in non-family duty stations) with a view to its harmonization and to report to the General Assembly at its 67th Session in 2012.

12. The introduction of an additional element in the hardship allowance scheme will require an amendment to article 3.11 of the ILO Staff Regulations. However, it is proposed to postpone the modification of that provision pending an agreement in the common system as to some of the conditions of the entitlement and its terminology, as well as of the possible impact of the new United Nations Security Level System introduced by the Security Management System as from 1 January 2011. These issues will be addressed by the human resource network prior to the effective date of the new entitlement in July 2011.

13. The Director-General will announce through the means of internal governance documents the new entitlement and the transitional measures approved by the General Assembly, along with any modified feature of the rest and recuperation framework in due course.

14. Based on current ILO staffing levels at non-family duty stations, once the transition period of five years has elapsed, the replacement of the current benefits by the new allowance would represent a saving for the ILO of approximately US$250,000 a year of which some US$50,000 would relate to the regular budget.

B. Conditions of service applicable to both categories of staff

1. Education grant

15. The UN General Assembly approved the increases recommended by the ICSC in the maximum levels of admissible expenditure and education grant for 11 countries and zones, as well as increases in respect of other reimbursable expenses, in particular flat rates for boarding and additional flat rates for boarding at designated duty stations. These increases, applicable to the school year in progress on 1 January 2011, require modification to the amounts set out in article 3.14 of the ILO Staff Regulations as contained in the appendix.

16. The General Assembly also invited the organizations of the common system to harmonize the eligibility criteria of the education grant with respect to the minimum age, the maximum age and the coverage of post-secondary education. The practice of the ILO in this regard is fully in line with the criteria recommended by the ICSC.

2. Separation payments

17. Further to a review by the Commission of rules and practices governing termination indemnities paid by organizations of the common system, the General Assembly invited those organizations to harmonize their termination indemnities schedule in line with that of the United Nations.

18. The schedules contained in articles 11.4 and 11.6 of the ILO Staff Regulations differ from those introduced in the United Nations in 2008 in the context of the contract reform, in particular as regards the level of the indemnity payable to ILO officials holding without-limit-of-time contracts with up to five years of service, as compared to that of UN officials under continuing appointments. This difference is, however, theoretical, as the minimum period of service required in the ILO to become eligible for a without-limit-of-time appointment is seven or eight years, depending on the category concerned.

19. The Office intends to review the matter of termination indemnities in the context of the reform of contractual arrangements currently under consideration in the Joint Negotiating Committee. The Office will report in due course to the Governing Body any proposed change to the existing termination payment schedules.

C. Other matters

20. The UN General Assembly resolution on the common system also refers to a series of measures that could improve the selection and conditions of service for executive heads in the organizations of the common system. This matter, which falls within the purview of the governing body of each organization, is the subject of a comprehensive report of the Joint Inspection Unit (JIU) entitled *Selection and Conditions of Service of Executive Heads in the United Nations System Organizations*. [6] The recommendations of the JIU will be reported to the Governing Body in November 2011.

D. Financial implications

21. The cost of implementing the ICSC's recommendations concerning the adjustment of base pay, the revised level of family allowances and of the education grant, partially offset by any savings resulting from the new non-family element in the mobility, hardship and non-removal allowance scheme, will be covered by existing provisions in the Programme and Budget for 2010–11.

22. ***The Committee may wish to recommend to the Governing Body that it approve the amendment to the Staff Regulations contained in the appendix, and that it note the action taken or to be taken by the Director-General to give effect to other measures adopted by the United Nations General Assembly.***

Geneva, 31 January 2011

Point for decision: Paragraph 22

[6] JIU/REP/2009/8.

Appendix

Amendments to the Staff Regulations

(The old figures are crossed out, the new ones appear in bold)

ARTICLE 3.14

Education grant

Table of education grant entitlements in local currency

Country (currency)	Maximum allowable educational expenses	Maximum education grant	Flat rate for boarding
Austria (euro)	~~16 719~~ **17 555**	~~12 539~~ **13 166**	~~3 709~~ **3 776**
Belgium and Luxembourg (euro)	15 458	11 593	~~3 452~~ **3 518**
Denmark (krone)	~~108 147~~ **113 554**	~~81 110~~ **85 166**	~~26 219~~ **27 242**
France (euro)	~~10 263~~ **10 981**	~~7 697~~ **8 236**	~~2 995~~ **3 052**
Germany (euro)	~~18 993~~ **19 563**	~~14 245~~ **14 672**	~~4 179~~ **4 221**
Ireland (euro)	17 045	12 784	3 112
Italy (euro)	~~18 936~~ **20 830**	~~14 202~~ **15 623**	~~3 128~~ **3 147**
Japan (yen)	2 324 131	1 743 098	607 703
Netherlands (euro)	~~16 521~~ **17 512**	~~12 391~~ **13 134**	~~3 844~~ **3 875**
Spain (euro)	~~15 139~~ **16 653**	~~11 354~~ **12 490**	~~3 153~~ **3 162**
Sweden (krone)	157 950	118 462	~~24 653~~ **26 034**
Switzerland (franc)	~~28 749~~ **31 911**	~~21 562~~ **23 933**	~~5 458~~ **5 540**
United Kingdom (pound sterling)	~~22 674~~ **24 941**	~~17 005~~ **18 706**	~~3 488~~ **3 690**
United States (dollar: for expenses incurred in the United States)	~~39 096~~ **43 006**	~~29 322~~ **32 255**	~~5 777~~ **6 083**
United States (dollar: maxima applicable to expenses incurred in US dollars outside the United States and all other currencies not listed above)	~~19 311~~ **20 663**	~~14 484~~ **15 497**	~~3 655~~ **3 746**