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Programme, Financial and Administrative Section
Personnel Segment

PFA

FOR INFORMATION

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

Summary: This report covers the action taken to date by the United Nations General Assembly on the recommendations contained in the report of the International Civil Service Commission for 2012.

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Related documents: GB.312/PFA/13; GB.312/PV.

1. Every autumn, the United Nations 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 Commission's 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. 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 ¹ as of the effective date determined by the Commission or the General Assembly.
3. By the end of 2012, the United Nations General Assembly had been unable to act on the recommendations contained in the report of the ICSC for 2012 ² and decided to defer decisions thereon to the first part of its resumed 67th Session in March 2013. Among other things, those recommendations called for:
 - (a) a review of the level of the education grant payable in respect of the school year in progress on 1 January 2013, as well as a review of special measures for a number of countries and educational institutions;
 - (b) the approval and implementation of the revised standards of conduct for the international civil service, which were previously adopted in 2002;
 - (c) a 0.12 per cent increase in the base/floor salary scale for the Professional and higher categories on a "no gain/no loss" basis;
 - (d) a report by the ICSC on the financial consequences of an increase in the level of danger pay payable to local staff, as decided by the Commission.
4. The General Assembly did, however, reach a decision in relation to a matter on which no recommendation was made, in other words in relation to a report on the evolution of the net remuneration margin that the ICSC prepares every year by comparing the net remuneration of United Nations staff in grades P1 to D2 in New York with that of 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, DC, is the net remuneration margin.
5. The net remuneration margin for the period 1 January–31 December 2012 was 117.7 (compared to 114.9 in 2011), and the average margin level for the past five years (2008–12) stood at 114.9, within the margin range of 110–120 decided by the General Assembly under the existing methodology, ³ and just below the desirable midpoint of 115.

¹ See GB.312/PV, para. 751(b).

² *Report of the International Civil Service Commission for 2012*, Official Records of the General Assembly, 67th session, Supplement No. 30 (A/67/30), available on the ICSC website at <http://icsc.un.org/resources/pdfs/ar/AR2012.pdf>.

³ General Assembly Resolution A/RES/39/27.

6. The increase in the margin between 2011 and 2012 was due, inter alia, to the effect of a pay freeze in the United States Federal Civil Service decided by the United States Government for 2011–12. This, along with similar fiscal measures adopted by a number of member States, led the General Assembly to request the ICSC to consider in 2012 the feasibility of reflecting the pay freeze of the United States Federal Civil Service in the administration of the post adjustment system. The conclusion of the ICSC, based inter alia on the legal opinion of the Legal Counsel of the United Nations, was that the Commission does not have the authority to take measures in the administration of the post adjustment system that are not consistent with the net margin remuneration methodology, and that existing mechanisms for adjusting United Nations salaries are working well and have already accounted for the salary constraints in the comparator civil service. The pay freeze in the United States federal Administration has since then been discontinued by an executive order of President Obama effective as of 2013.
7. Despite the above conclusions, the ICSC, acting on considerations beyond its technical remit, took the unprecedented decision to defer the increase in the post adjustment multiplier for New York (from 65.5 to 68) that had been due in August 2012 and that corresponded to cost-of-living increases in that duty station in the preceding year. This decision was taken by the Commission pending consideration of its annual report by the General Assembly, on the condition that the New York multiplier would be promulgated on 1 January 2013 with retroactive effect as of 1 August 2012, unless the General Assembly decided otherwise.
8. In reviewing the Commission's decision to defer the promulgation of the increase in the New York post adjustment multiplier and the ICSC report regarding the feasibility of a pay freeze in the United Nations through the post adjustment system, the General Assembly decided to maintain the pre-August 2012 New York post adjustment multiplier until 31 January 2013,⁴ on the understanding that the normal operation of the post adjustment system would resume on 1 February 2013, with no retroactive effect.
9. These developments raise serious questions concerning adherence to the methodologies in force and their consistency with the principles underlying the overall compensation system for the staff of the organizations applying the United Nations common system conditions of employment. Furthermore, these decisions have been made without any prior consultation with the executive heads or governing bodies of the organizations that have freely decided to apply the common system.
10. Certain other recent decisions by the ICSC have also been taken without genuine consultation with the interested organizations and go beyond its technical mandate. These include:
 - (a) The decision of the Commission to defer the implementation of the increases in the children's and secondary dependants' allowances due under the biennial review of dependency allowances in accordance with the approved methodology, until such time as the Commission will review that methodology.⁵ This decision is particularly worrying, as the methodology was recently reviewed in 2008 and resulted in a significant decrease in the level of the allowance, which had justified the adoption of transitional measures to protect the acquired rights of serving staff. Such transitional measures were meant to be phased out as of January 2013, in connection with the biennial review of the allowance for 2013–14.

⁴ A/C.5/67/L.14.

⁵ *Report of the International Civil Service Commission for 2012*, op. cit., paras 122–132.

- (b) The decision of the ICSC to defer the adoption of a recommendation to the General Assembly setting the compensation payable in respect of rest and recuperation. Rest and recuperation is an entitlement afforded to officials serving in particularly difficult duty stations and consists of the payment of travel costs and a daily subsistence allowance during the approved periods of the entitlement, which are not deducted from the official's annual leave credits. The payment of travel costs and a daily subsistence allowance was discontinued by the General Assembly in 2011 without any interim measure or alternative compensation, on the understanding that the Commission would propose in 2012 an overall compensation package to become effective in 2013.⁶
- (c) The decision of the Commission to consider the possibility of recommending that the increase in the normal age of retirement, as decided by the United Nations Joint Staff Pension Board in respect of new participants as of 1 January 2014,⁷ be extended system wide to serving staff whose normal age of retirement is 60 or 62. This decision runs counter to the unanimous position of the Human Resources Network of the High-level Committee on Management that such issues should be determined by each organization, having regard to the composition and structure of its staff and its succession planning prospects.⁸
- 11.** To the extent that the potential legal and financial consequences of these decisions are difficult to assess before the General Assembly has finalized its consideration of the ICSC report for 2012, the Office will continue to monitor the situation and will report to the Governing Body on the outcome of the 67th session of the General Assembly once it is known. In its report, the Office will include, if appropriate, recommendations with respect to the ILO's position vis-à-vis common-system decisions.

Geneva, 25 January 2013

⁶ *ibid.*, paras 206–220.

⁷ See GB.317/PFA/INF/4.

⁸ *Report of the International Civil Service Commission for 2012*, *op. cit.*, paras 73–85.