



NINETEENTH ITEM ON THE AGENDA

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

1. This paper provides information on the reports of the International Civil Service Commission (ICSC) for 2005 and 2006¹ and the decisions taken by the United Nations General Assembly at its 61st Session in 2006 concerning the recommendations contained in the ICSC's reports.

Review of the pay and benefits system

2. The General Assembly took note of the information provided on the pilot study on broadbanding and pay for performance.
3. In this context, the General Assembly noted the ICSC's recommendation to maintain the distinction in remuneration between staff with and without primary dependants. It noted also the current rationale for maintaining dependency and single rates on the base/floor salary scale, which was directly linked to the practices of member States that maintain such a differentiation in their own tax systems.

Mobility/hardship/non-removal allowances

4. At its 295th Session (March 2006), the Governing Body authorized² the Director-General to give effect in the ILO to approval by the General Assembly of the ICSC's proposals regarding, among other matters, the mobility/hardship/non-removal allowances. The major changes involved the introduction of flat amounts to replace the automatic link to the base/floor scale, the recognition of a greater number of geographical moves, and the reduction of the period of eligibility to five years at the same duty station, for the mobility and non-removal elements.

¹ UN docs. Nos. A/60/30, A/60/30/Corr.1 and A/61/30.

² GB.295/PV, para. 196; GB.295/PFA/8.

5. Following a one-year deferral of consideration of the ICSC Annual Report for 2005, the General Assembly decided, late in December 2006, to adopt the ICSC's proposals with an implementation date of 1 January 2007. Particularly given the short notice occasioned by the General Assembly's decision, the Director-General, in line with common practice, has decided to apply transitional measures from January to June 2007, in order to phase out the levels of the old allowance. Under such exceptional measures,³ a one-time payment, covering the period 1 January 2007 to 30 June 2007, will be made to permit a more gradual impact of the new system on those staff who experience reduced payments.⁴
6. The modalities for payment of the non-removal allowance proposed by the ICSC and approved by the General Assembly last December foresee a lump-sum payment corresponding to the full duration of the assignment, up to a maximum of five years. However, in practical terms, many ILO assignments are renewable and thus do not operate in effect with a precise, predetermined duration. In order to avoid administrative inefficiencies and associated costs, it is proposed that the non-removal allowance be paid in an annual allocation at the beginning of the official's appointment or assignment to a duty station for which the allowance is payable, and thereafter annually on the anniversary of the effective date of the appointment or assignment. It is proposed further that the Staff Regulations be modified accordingly, with effect from 1 January 2007.

Education grant

7. In line with the existing methodology, the Commission recommended increases in the maximum reimbursement levels for a certain number of countries, as well as other increases in respect of the reimbursement of expenses under the education grant (notably the flat rate for boarding costs). The General Assembly approved these recommendations, as well as the discontinuation of a separate zone for Norway, and the establishment of separate maximum admissible expense levels for certain schools in France.
8. The General Assembly also approved the Commission's recommendation that the eligibility period for the education grant should continue up to the end of the school year in which the child completes four years of post-secondary studies, even if a degree had been attained after three years. The age limit of 25 years would continue to apply.
9. The above changes are applicable as from the school year in progress on 1 January 2007. It is proposed that article 3.14 of the ILO Staff Regulations will be modified to reflect these changes, with effect from 1 January 2007.

Contractual arrangements

10. As indicated to the Committee earlier, this question had been under discussion for several years. The General Assembly took note of the Commission's decision to adopt a framework for contractual arrangements in the organizations of the United Nations common system. This framework distinguishes between functions of a regular and continuing nature and functions required by the organizations of the United Nations common system for a short-term period to meet specific needs.

³ See article 14.6 of the ILO Staff Regulations.

⁴ For details, see ILO Circular Series 6, No. 664, also distributed to Governing Body members.

11. Given the General Assembly's endorsement of the framework, Human Resources Development will now be in a position to move forward with work on the review of ILO's contracts policy, as set out in the Human Resources Strategy report.⁵

Hazard pay: Review of the level

12. The General Assembly approved an increase in the level of hazard pay for international Professional staff from US\$1,000 to US\$1,300 per month with effect from 1 January 2007.

Evolution of the margin

13. The Commission regularly carries out comparisons of the net remuneration of the United Nations staff in grades P.1 to D.2 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, DC, is the net remuneration margin.
14. On the basis of information provided by the Commission, the General Assembly noted that the margin for the period 1 January to 31 December 2006 was 114.3. It 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.

Base/floor salary scale

15. The General Assembly approved the Commission's recommendations that the base/floor salary scale for the Professional and higher categories be increased with effect from 1 January 2007, on a "no loss/no gain" basis, by 4.57 per cent. There are consequential increases in separation payments. It is recalled that at its 297th Session (November 2006), the Committee proposed⁶ that the Governing Body accept the recommendations of the ICSC on this increase (and authorize the Director-General to implement them), subject to their approval by the General Assembly. The salary scale for officials in the Professional category and above referred to in article 3.1 of the Staff Regulations is being modified to reflect this change.

Senior Management Network

16. The General Assembly endorsed the Commission's decision to request regular updates from the HR Network/Chief Executives Board (CEB) secretariat on the development and directions of the Senior Management Network. The General Assembly requested the ICSC to continue to monitor the project regarding the improvement of management capacity and performance among senior staff by the CEB and to advise and make recommendations to the General Assembly as appropriate.

⁵ GB.297/PFA/14, paras 57 and 58.

⁶ GB.297/11/2(Rev.), para. 32, and GB.297/PFA/15.

Gender balance

17. The General Assembly noted with disappointment the insufficient progress made with regard to the representation of women in the organizations of the UN common system, and in particular their significant under-representation at senior levels. It urged the Commission to continue to make recommendations on practical steps that should be taken to improve the representation of women in the organizations of the UN common system.
18. The Committee was informed⁷ at its 297th Session (November 2006) of the steady progress being made on this issue in the ILO.

Children's and secondary dependant's allowances: Review of the level

19. The General Assembly approved the recommendations of the ICSC to modify the children's and secondary dependant's allowances as follows: for staff who became eligible to receive these allowances on or after 1 January 2007, revised lower amounts were approved; and for staff currently in receipt of the higher amounts, those amounts would continue to be paid until such time as revisions of the new amounts overtook them.

Identification of the highest paid national civil service

20. The Commission decided to conclude its current total compensation study and to retain the current comparator (United States). The General Assembly took note of that decision.

Financial implications

21. The proposed modifications to the mobility/hardship scheme have been developed on the principle of cost neutrality and therefore should have no financial implications for the Office. The cost of the transitional measures described in paragraph 5 are estimated to be equivalent to the amount provided for inflation in mobility and hardship allowance costs under the previous methodology. Therefore, the costs of the transitional measures will have no added financial implications. The changes in education grant limits (paragraph 7) will be covered by the provisions made for the purpose in the Programme and Budget for 2006–07. The financial implication to the Office of the decision to suppress the first degree restriction within the allowed period of four years' post-secondary studies (paragraph 8) is considered to be insignificant as many first degree courses are already of four years' duration. As few ILO officials are serving in duty stations where hazard pay is applicable, the estimated cost of the decision reported in paragraph 12 will be minimal and absorbed within the budget through savings expected from the decision on reduced children's and secondary dependant's allowances for staff who become eligible for those allowances on or after 1 January 2007 (paragraph 19). As reported to the Committee at its 297th Session (November 2006),⁸ the cost of implementing the ICSC's recommendations concerning the increase of 4.57 per cent in the base/floor salary scale (paragraph 15) and in related

⁷ GB.297/PFA/14, para. 22.

⁸ GB.297/PFA/15.

payments are covered by provisions made for that purpose in the Programme and Budget for 2006–07.

- 22. *The Committee may wish to recommend that the Governing Body note the action taken by the Director-General to give effect to the measures adopted by the United Nations General Assembly and in particular endorse the proposals in paragraphs 6 and 9.***

Geneva, 2 February 2007.

Point for decision: Paragraph 22.