



## FOURTEENTH ITEM ON THE AGENDA

**Report of the International Civil Service Commission**

1. This report outlines a number of recommendations of the International Civil Service Commission (ICSC) that have been submitted to the United Nations General Assembly (UNGA) in its annual report for 2000.<sup>1</sup> The recommendations have financial implications for the Office and are submitted to the Programme, Financial and Administrative Committee for early consideration so as to avoid the need for costly retroactive adjustments. The recommendations concern the base/floor salary scale and family allowances for staff in the Professional and higher categories. The document also outlines changes proposed to certain other conditions of service, some of which have further financial implications.
2. The Committee will not be able to consider the decisions of the United Nations General Assembly on the ICSC's recommendations at the present session of the Governing Body, as those decisions are unlikely to be made before mid-December 2000. A detailed report on the outcome of the discussions in the General Assembly will be provided to the Committee in March 2001.

**Base/floor salary scale**

3. The ICSC has recommended an increase of 5.1 per cent, effective from 1 March 2001, in the base/floor salary scale for staff in the Professional and higher categories. This recommendation, which has been calculated on the basis of agreed methodology, reflects the increase in salaries of equivalent staff in the United States federal civil service in 2000. This salary adjustment will be applied in the normal way by consolidating post adjustment multiplier points into the base salary on a no-loss/no-gain basis. This will mean that only staff members at duty stations having a low post adjustment (i.e. below 5.1 percentage points) will receive an increase in their net remuneration. An amendment to article 3.1 of the Staff Regulations will be required to implement the salary adjustment.
4. Consequential increases in the mobility and hardship allowance and separation payments will also result from this salary adjustment.

<sup>1</sup> General Assembly, Official Records, Fifty-fifth Session, Supplement No. 30 (A/55/30).

## Family allowances for staff in the Professional and higher categories

5. During 2000 the ICSC undertook its biennial review of family allowances using the accepted methodology, which examines changes in the tax abatement and social legislation for the seven headquarters duty stations. The present review covered the period 1 January 1998 to 1 January 2000.
6. The ICSC agreed to recommend to the UN General Assembly that, from 1 January 2001, the non-pensionable family allowances should be increased for: (a) eligible children, from US\$1,730 to US\$1,936; (b) eligible disabled children, from US\$3,460 to US\$3,872; and (c) secondary dependants, from US\$619 to US\$693. These changes will require amendments to article 3.12 of the Staff Regulations.

## Other issues

7. The ICSC recommended to the UN General Assembly that the current *staff assessment scale* for determining pensionable remuneration of officials in the Professional and higher categories and the General Service and related categories should continue to apply and should again be reviewed at the time of the next comprehensive review of pensionable remuneration.
8. The ICSC recommended to the General Assembly that increases be approved in the levels of maximum *education grant* and maximum admissible expenses in duty stations where education-related expenses were incurred in certain specified currencies (a consequential adjustment would also be required in the amount of special education grant paid for each disabled child). The ICSC also proposed increases in flat rates for boarding costs and the amounts of additional boarding costs over and above the maximum education grant payable to eligible staff members at designated duty stations. These increases are proposed to take effect from the school year in progress on 1 January 2001.
9. The ICSC decided to inform the General Assembly that it was currently engaged in a *comprehensive review of the pay and benefits system* which had emerged as a priority item from the Commission's work on an integrated framework for human resources management. Three open-ended focus groups will provide a steering committee (coordinated and chaired by the ICSC Chairperson) with relevant information, analysis and options for consideration by the Commission on three main topics (the nature of work; rewarding performance; and management capacity). There is no clear overall timetable for the review at this stage. It will be the main item on the ICSC's work agenda during 2001.
10. The ICSC was unable to complete its work during 2000 on revised *standards of conduct in the international civil service*. Consideration of this issue will continue next year and final proposals will be made to the General Assembly in the Commission's annual report for 2001.

## Financial implications

11. The cost of implementing the ICSC's recommendations concerning the increase of 5.1 per cent in the base/floor salary scale and in related allowances/payments (paragraph 3) and the changes in family allowances (paragraph 6) and education grant limits (paragraph 8) are covered by provisions made for that purpose in the Programme and Budget for 2000-01.

**12. The Committee may wish to recommend that the Governing Body –**

- (a) accept the recommendations of the ICSC, subject to their approval by the United Nations General Assembly, on the following entitlements:**
  - (i) an increase of 5.1 per cent in the base/floor salary scale, and consequential increases in the mobility and hardship allowance and separation payments, for staff in the Professional and higher categories, with effect from 1 March 2001;**
  - (ii) increases in the present levels of family allowances for staff in the Professional and higher categories, with effect from 1 January 2001;**
  - (iii) increases in the maximum education grant and maximum admissible expenses payable to eligible staff members at designated duty stations, with effect from the school year in progress on 1 January 2001;**
- (b) authorize the Director-General to give effect in the ILO, through amendments to the Staff Regulations (as necessary), to the measures referred to in subparagraph (a), subject to their approval by the General Assembly.**

Geneva, 26 October 2000.

*Point for decision:* Paragraph 12.