

Report of the International Civil Service Commission

Report by the Secretariat

1. Under Article 17 of its Statute,¹ the International Civil Service Commission is required to submit an annual report to the United Nations General Assembly which is transmitted to the governing bodies of the organizations of the United Nations system through their executive heads.
2. The Director-General submits to the Executive Board herewith the thirty-fourth annual report of the Commission,² which is to be considered in December 2008 by the United Nations General Assembly at its sixty-third session. Decisions expected to be taken by the General Assembly on the Commission's recommendations that require a revision of WHO's Staff Rules are reported separately to the Board.³ The subjects concerned are the remuneration of the professional and higher categories and the review of the level of the education grant.
3. The main elements of the Commission's report are summarized below.

Review of the pay and benefits system: assessment of the pilot study of broad banding/pay-for-performance

4. As part of its review of the pay and benefits system, the Commission, at its sixty-sixth session, had before it reports containing a comprehensive evaluation of the broad-banding/pay-for-performance pilot project in five volunteer organizations which had been carried out by its secretariat. The evaluation concluded that for various reasons the pilot project had not met the Commission's criteria for success and had lost direction in all the pilot organizations.
5. The Commission concluded that it would review those elements of the pilot project that had been successful or that had shown a possible way forward, and would move towards providing guidance and oversight within the planned performance management framework. Such a framework would take into consideration the work previously carried out by the Commission, including its recommendations on the use of monetary and non-monetary incentives and bonus payments, and should be presented to the General Assembly for its consideration and approval, as appropriate.

¹ WHO Official Records, No.226, 1975.

² General Assembly Official Records, Sixty-third session: Supplement No. 30 (A/63/30) (copies available in the meeting room).

³ Document EB124/34.

Update on performance management

6. During its review of the broad-banding/pay-for-performance pilot project, the Commission had requested its secretariat to issue updated guidelines on the granting of steps based on merit and to submit, for its consideration at its sixty-seventh session (July 2008), an updated performance management framework that could serve as a guide to organizations, taking into account the previous work of the Commission.

7. A concept paper outlining the approach to be taken in developing this framework was prepared for the Commission's approval and guidance. The Commission was not fully convinced that a performance management framework, however designed, would be successfully implemented within the organizations. Members observed that the guidelines which were drawn up in 1997 were still valid, but, without strong commitment and leadership from executive management, culture change would not be brought about in organizations.

8. Among other things, the Commission decided to keep performance management under continuing review and to upgrade the performance management guidelines set out by the Commission in 1997, with emphasis on the culture and environment and the leadership that must come from the top level of each organization.

Review of the methodology for determining the education grant

9. A working group comprising representatives of the organizations and staff association, as well as CEB and the International Civil Service Commission secretariats, continued work on the review of the education grant methodology on the basis of considerations of simplification, equity and cost neutrality.

10. The Commission concluded that further studies were needed in order to move forward with the modernization of the methodology for determining the grant and, that in the meantime, the current methodology would be retained.

Evolution of the United Nations/United States net remuneration margin

11. Under a standing mandate assigned to it by the United Nations General Assembly, the Commission continued to review the relationship between the net remuneration of United Nations staff in the professional and higher categories in New York and that of United States of America federal civil service employees in comparable positions in Washington, DC (hereinafter "the margin").

12. Based on the information before it, the Commission decided to report to the United Nations General Assembly that the margin between the net remuneration between the United Nations staff in grades P.1 to D.2 in New York and the employees of the United States of America federal civil service in Washington, DC, for the period 1 January to 31 December 2008, was estimated at 114.1. It also drew the attention of the General Assembly to the fact that the average margin level for the past five years (2004–2008) had been below the desirable mid-point of 115, currently standing at 112.8.

Mobility and hardship allowance: review of the operation of the new scheme

13. In accordance with the decisions of the Commission, as approved by the General Assembly in its resolution 61/239, the amounts payable under the new mobility and hardship scheme came into effect on 1 January 2007 and were to be reviewed every three years.

14. An examination of the relevant data presented to the Commission showed that all three factors individually and collectively indicated that an increase in the amounts was warranted. The Commission also examined whether or not the scheme was meeting the purpose for which it had been designed and identified a number of issues that would need to be considered during the next review of the methodology in 2010. The Commission was satisfied that pending such review the scheme was basically sound.

15. The Commission decided to recommend to the General Assembly that:

(a) a 5% increase be granted for the hardship allowance, the mobility allowance, and the non-removal allowance, respectively, for implementation on 1 January 2009; and

(b) with effect from 1 January 2009 the amounts of the mobility, hardship, and non-removal allowances continue to be adjusted according to changes in the personal status of the staff member or in the hardship classification of the duty station, as they were under the previous scheme, only in the circumstances identified by the Commission in paragraph 94 (c) of its report.

Children's and secondary dependant's allowances: review of the methodology

16. The Commission had requested its Secretariat to review the methodology for children's and secondary dependant's allowances and to prepare proposals aimed at making the system simpler and fairer.

17. The Commission decided to inform the General Assembly of the following decisions:

(a) the children's allowance should be established as a global flat-rate amount calculated as the average of the US dollar amount of child benefits at the eight headquarters duty stations weighted by the number of staff at those locations;

(b) at the time of its implementation, the US dollar amount of the allowance would be converted to local currency using the official United Nations exchange rate and would remain unchanged until the next biennial review;

(c) the flat amount would be recalculated on the same basis at the time of every subsequent review;

(d) the secondary dependant's allowance is set at 35% of the children's allowance; and

(e) as a transitional measure, where, at the time of implementation, the revised flat-rate allowance was to be lower than the one currently in effect, the allowance payable to currently eligible staff would be equal to the higher rate reduced by 25% of the difference between the two rates. If that transitional rate remained above the one set as of 1 January 2011 a further reduction equal to 50% of the difference between the transitional rates set on 1 January 2009 and the rate of the allowance set for 1 January 2011, would be applied. Such transitional measures would be completely discontinued as of 1 January 2013.

18. In implementing the decision of the Commission, having considered its impact, where, at the time of implementation, the revised flat-rate allowance is lower than the one currently in effect, WHO will apply the allowance currently in effect until such time as the staff member is either reassigned to another duty station or ceases to qualify for the allowance, whichever is earlier.

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

19. In accordance with the revised methodology to determine the level of the children's allowance, approved by the Commission at its sixty-sixth session (see paragraph 18 above) the Commission decided to focus primarily on revision of the levels of the allowances.

20. In this context, the Commission decided to recommend to the General Assembly that, as of 1 January 2009:

- (a) the children's allowance should be set as a global flat amount at US\$ 2686 per annum and the disabled children's allowance should be double that amount, i.e. US\$ 5372 per annum;
- (b) the secondary dependant's allowance should be set at US\$ 940 per annum; and
- (c) at hard currency locations, the United States dollar amount of the allowance, as established in subparagraphs (a) and (b) above, should be converted to local currency using the official United Nations exchange rate, as at the date of promulgation, and should remain unchanged until the next biennial review.

Effectiveness and impact of recruitment and retention measures at difficult duty stations

21. In section I.E. of its resolution 61/239, the General Assembly requested the Commission to consider the effectiveness and impact of measures designed to promote recruitment and retention, especially in difficult duty stations.

22. The reports prepared for the Commission examined the level of recruitment and retention difficulties in responding organizations with a view to evaluating the effectiveness of the measures taken. The analysis included turnover rates in field locations and at headquarters, and examined data by grade and gender. It concluded with an analysis of external and internal issues affecting recruitment and retention in the United Nations common system. The analysis was based on data furnished by the organizations themselves, and thus reflects their perspectives.

23. To obtain the perspective of the staff, a global staff survey, open to all staff, in all categories, in all locations, was carried out. The results of the staff survey, which included data from approximately 15 000 responses, as shown in Table 1 of Annex VII to the International Civil Service Commission report, were presented to the Commission at its sixty-seventh session.

24. The Commission noted that the common system appeared to have no serious recruitment problem in filling vacancies, but it was concerned that almost one quarter of recruitment cases had reportedly found it difficult to attract staff with the right skills and experience, thus posing the question of quality rather than quantity. The Commission noted the consistency of staff responses in identifying the factors rated high in importance but low in satisfaction, and noted that they all related to career development, professional development opportunities, work-related stress, and work/life balance (including employment of spouses). On the other hand, the high retention factors were similarly uniform: belief in the goals and objectives of the Organization, the opportunity to serve a good cause, and good relationships with colleagues.

25. The Commission requested its secretariat to continue its work in producing further analysis of the data that could be used in subsequent work of the Commission.

Hazard pay for internationally recruited staff

26. The Commission decided in 2005 that the hazard pay would be reviewed on the same cycle as, and simultaneously with, the review of the allowances for mobility, hardship and non-removal, and considering the same indicators used to update these allowances.

27. The Commission has decided that a 5% increase should be granted for hazard pay for internationally recruited staff and, as a result, the level of hazard pay for internationally recruited staff should be set at US\$ 1365 per month as of 1 January 2009.

ACTION BY THE EXECUTIVE BOARD

28. The Executive Board is invited to take note of the report.

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