

Report of the International Civil Service Commission

Report by the Director-General

1. Under its Statute,¹ the International Civil Service Commission is required to submit to the United Nations General Assembly an annual report for transmission 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 forty-fifth annual report of the Commission.² The report is scheduled to be considered in December 2019 by the United Nations General Assembly at its seventy-fourth session. Decisions expected to be taken by the United Nations General Assembly on the Commission's recommendations requiring a revision of WHO's Staff Rules will be reported separately to the Board. This report addresses the issues taken up by the Commission in 2019.

CHAPTER II OF THE COMMISSION'S REPORT

REPORTING AND MONITORING

Resolutions and decisions adopted by the General Assembly at its seventy-third session relating to the work of the Commission

3. On 22 December 2018, the General Assembly adopted resolution 73/273 on the United Nations common system, with the exception of the Commission's proposals on the children's and secondary dependant's allowances and the establishment of an end-of-service grant. The proposal regarding duty stations with extreme hardship was only partially and conditionally approved allowing organizations to offer staff at duty stations classified as E (but not D) to avail themselves of the non-family service allowance instead of installing their families. Members of the Commission stressed the importance of fully implementing all General Assembly resolutions. Organizations and staff would be consulted regarding all the items that had not been approved and the Commission would consider different ways of presenting new proposals to the General Assembly.

DECISION OF THE COMMISSION

4. The Commission decided to take note of General Assembly resolution 73/273.

¹ International Civil Service Commission: Statute and Rules of Procedure. New York: United Nations; 1987 (document ICSC/1/Rev.1), Article 17.

² General Assembly Official Records, Seventy-fourth Session: Supplement No. 30 (document A/74/30) (copies available in the meeting room, together with the Secretariat's summary of the Commission's recommendations). In particular, the Board is referred to pp. 7–8 of the Commission's report.

Monitoring of implementation of decisions and recommendations of the International Civil Service Commission, the General Assembly and the legislative or governing bodies by organizations of the United Nations common system, including ILO Administrative Tribunal judgments Nos. 4134 to 4138

5. Based on data provided by 24 common system organizations, the Commission's secretariat reported that the majority of the organizations had in one way or another adopted or incorporated a diversity component in their human resources policies, mostly related to gender, in fewer instances to disability and inclusion. All but one organization had implemented the mandatory age of separation at age 65 for staff joining the organization before 1 January 2014. The same organization, the International Seabed Authority, had also not yet implemented the new education grant scheme for the school year in effect on 1 January 2018.

6. Regarding ILO Administrative Tribunal judgments Nos. 4134 to 4138 of 3 July 2019, setting aside the implementation of the post adjustment results following the 2016 round of place-to-place surveys in Geneva, the Commission expressed concern that the tribunal had concluded that the Commission "did not have power to decide, itself, the amounts of post adjustments" to be attributed to duty stations such as Geneva. In the Commission's view, this was a misinterpretation of the division of post adjustment-related authority and functions between the General Assembly and the Commission in articles 10 and 11 of its Statute, and not in line with the practice that the Commission had maintained for over more than 40 years, of establishing the post adjustment multipliers for duty stations worldwide on a monthly basis. It therefore asked the General Assembly to reconfirm, as soon as possible, the authority of the Commission in that area.

7. Some organizations saw the judgments as an opportunity to bring the post adjustment and other compensation-related processes into line with the goals of predictability, stability and transparency for staff remuneration. There was an expectation that some changes could be achieved through the ongoing work of the Commission task force to review the post adjustment methodology. The Commission took note of the concerns of the organizations, expressed its strong belief in the common system, and urged all organizations to collaborate and preserve it. All participants confirmed their support.

DECISION OF THE COMMISSION

8. The Commission decided to take note of the document and expressed concern that one organization had failed to implement both the mandatory age of separation for staff joining the organization before 1 January 2014 and the new education grant scheme. The Commission urged organizations to fully implement decisions of the General Assembly and the Commission in a timely manner.

9. With respect to ILO Administrative Tribunal judgments Nos. 4134 to 4138, the Commission: expressed its disagreement with arguments and premises put forth in the consideration part of the judgments questioning the authority of the Commission regarding post adjustment; recommended to the General Assembly that it should reconfirm the authority of the Commission to continue to establish post adjustment multipliers under Article 11 of the Commission's Statute; requested timely guidance from the Assembly concerning the implementation of General Assembly resolutions 3042 (XXVII), 3357 (XXIX), 44/198, 45/259, 48/224 and 72/255; drew the Assembly's attention to the challenge of having two concurrent independent administrative tribunals among the organizations of the United Nations common system; and expressed the view that it was inappropriate to take any further decision on calls to implement the judgments of the ILO Administrative Tribunal for all organizations, pending issue of the United Nations Dispute Tribunal judgment on the Geneva post adjustment question.

CHAPTER III OF THE COMMISSION'S REPORT

CONDITIONS OF SERVICE APPLICABLE TO BOTH CATEGORIES OF STAFF

Implementation of the principles and guidelines for performance appraisal and management for the recognition of different levels of performance

10. In its resolution 73/273, the General Assembly, inter alia, requested the International Civil Service Commission to report to the Assembly at its seventy-fourth session on the implementation of the principles and guidelines for performance appraisal and management for the recognition of different levels of performance. The guidelines were based on a survey conducted by the secretariat and to which 24 organizations had responded. They included the following components: principle for performance appraisal; framework for recognition and rewards programmes, including cash and non-cash awards and treatment of underperformance; and outline of a training programme for managers.

11. The Human Resources Network reported that good practices among organizations were emerging with some controversy noted over the use and appropriateness of cash awards and personal promotions. While one staff representation advocated a single system-wide performance management system, the Commission acknowledged that organizations might individualize their systems in line with their culture and mandate, as long as that aligned with the common principles stated. The Commission was pleased that most organizations had adopted the principles and guidelines for performance appraisal and management for the recognition of different levels of performance, and further encouraged organizations along that route.

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12. The Commission decided: to bring to the attention of the General Assembly its above discussion; to request its secretariat to keep it apprised of general developments in the area of performance management, with a view to assessing the need for changes to the principles and guidelines at the time of its next review in 2021; and to encourage the organizations to conduct more formal evaluations of their performance management systems in order to inform the Commission's future review.

CHAPTER IV OF THE COMMISSION'S REPORT

CONDITIONS OF SERVICE OF THE PROFESSIONAL AND HIGHER CATEGORIES

Base/floor salary scale

13. In its resolution 70/244, the General Assembly approved a unified salary scale, with effect from 1 January 2017, which should be updated to reflect any adjustments in reference salaries of the comparator that might take place between the approval of the scale and its implementation. It was therefore necessary to consider the movement in the comparator civil service salary points on the basis of officials with no primary dependants.

14. The Commission was informed that a 1.21% increase had been proposed with effect from 1 January 2020 in the base General Schedule scale. In addition, minor changes in the tax schedules and personal exemption amount had been introduced at the federal level for 2019.

15. With respect to the review of the staff assessment rates used in conjunction with gross salaries, the Commission was informed that as no request had been received from the organizations, no revision of the rates was required at the present stage. The Commission further recalled General Assembly resolution 66/235 which provided that the rates of staff assessment should be reviewed every three years.

DECISIONS OF THE COMMISSION

16. The Commission decided: to recommend to the General Assembly, for approval with effect from 1 January 2020, the revised unified base/floor salary scale, and the updated pay protection points for the professional and higher categories as shown in Annex VI to the Commission's report, reflecting a 1.21% adjustment in the unified salary scale previously approved by the Assembly, to be implemented by increasing the base salary and commensurately decreasing post adjustment multiplier points, resulting in no change in net take-home pay; and to maintain the current rates of staff assessment used in conjunction with gross salaries until their next regular review in 2022, unless a change in the situation of the tax equalization fund necessitated an earlier review.

Evolution of the United Nations/United States net remuneration margin

17. Under a standing mandate from the General Assembly, the Commission reviews the relationship between the net remuneration of United Nations officials in the professional and higher categories in New York and that of United States federal civil service officials in comparable positions in Washington, DC. For that purpose, the Commission annually tracks changes occurring in the remuneration levels of both civil services.

18. The Commission was informed that, based on changes that had occurred in the United States federal civil service, the estimated net remuneration margin for 2019 amounted to 113.4.

DECISIONS OF THE COMMISSION

19. The Commission decided: to report to the General Assembly that the margin between the net remuneration of United Nations officials in the professional and higher categories in New York and that of officials in comparable positions in the United States federal civil service in Washington, DC was estimated at 113.4 for the calendar year 2019; and to continue monitoring the level of the margin and take the necessary corrective action under the operation of the post adjustment system should the trigger levels of 113 or 117 be breached in 2020.

Education grant: review of scale and level of the lump sum for boarding assistance

20. The education grant scheme had been revised as part of the comprehensive review of the compensation package for staff in the professional and higher categories as per General Assembly resolution 70/244. The revised scheme has a global United States dollar-based sliding scale to partially reimburse tuition and enrolment-related expenses, and a uniform lump sum to cover boarding expenses. Both would be adjusted on a two-year cycle, starting from 2019, based on the approved methodology for tracking tuition and boarding fee movements at selected schools in United States dollar terms.

21. Given that the initial scale currently in place had been derived from data from the 2014–2015 school year, the review period, up to and including the 2019–2020 school year, extended over five years. The weighted average rate of tuition fee movements over the period amounted to 15%. It was therefore proposed that each bracket of the sliding scale should be adjusted by that percentage to reflect the tuition increases over the review period, and, simultaneously, to maintain the scale structure intact.

22. For the lump sum for boarding assistance, the average boarding fees at 30 International Baccalaureate schools selected and approved for the current lump sum were found to have increased by 5.3% over five school years from 2014–2015 to 2019–2020. Accordingly, an adjustment of the lump sum by that percentage was proposed, which would result in an increase from US\$ 5000 to US\$ 5300.

23. During discussions in the Commission, the results were generally welcomed. Some staff federations, however, expressed concern that the revised eligibility criteria for the lump sum for boarding assistance – an important mobility incentive – excluded staff indiscriminately at all H duty stations irrespective of the availability of adequate schooling facilities. There was also concern that under the current methodology all data for the revision were collected from representative schools, exclusively with fees denominated in United States dollars, so that a global average increase in US dollar terms, combined with an appreciation in the dollar against other currencies, could lead to certain distortions.

24. The Commission agreed that the matter would be taken up under the comprehensive assessment of the compensation package foreseen for 2020, which included the revised education grant scheme.

25. The financial implications – for all common system organizations combined – were estimated at US\$ 7.08 million (WHO pro-rated US\$ 0.6 million per annum) for the adjustment of the sliding scale and US\$ 0.77 million (WHO pro-rated US\$ 0.06 million per annum) for the increase in the lump sum for boarding assistance.

DECISIONS OF THE COMMISSION

26. The Commission decided: to recommend to the General Assembly that from the academic year in progress on 1 January 2020 it should revise the sliding reimbursement scale by increasing the amounts in each of the current brackets by 15% (see Annex 1); and to increase the boarding lump sum to US\$ 5300.

Post adjustment issues: report of the Advisory Committee on Post Adjustment Questions

27. Pursuant to Article 11 of its Statute, the Commission continued to keep under review the operation of the post adjustment system, and, in that context, considered the report of the forty-first session of the Advisory Committee on Post Adjustment Questions. The report included recommendations of the Advisory Committee regarding a range of technical questions pertaining to the ongoing comprehensive review of the methodology underpinning the post adjustment system, including proposals for refinement of the post adjustment index methodology by a task force established by the Commission at its eighty-seventh session. The report also included the Advisory Committee's recommendations regarding measurement of the housing component of the post adjustment index, and initial proposals for the agenda of its forty-second session. Other methodological and operational issues related to the post adjustment system were presented by the secretariat in preparation for the next round of cost-of-living surveys.

28. In accordance with its terms of reference, the task force was composed of statisticians nominated by organizations, staff federations and the Commission, and top-level consultants in the field of economic and price statistics. The Advisory Committee reviewed the report of the task force on the following themes: (1) measurement objective of the post adjustment index, index formula and aggregation (from top to bottom), price versus cost index, related considerations regarding treatment of pension contribution component, and description of the index; (2) weighting issues in the following components: in-area (excluding housing), housing and medical insurance, as well as weighting across components, pooling of duty stations and characteristicity of the index; and (3) statistical methods and

procedures for compilation of the index, in particular, scope and coverage, data sources, quality adjustment, inclusion/exclusion versus imputation/editing/cleaning, anonymity versus confidentiality, and boundaries for user involvement.

29. The Advisory Committee reviewed the findings of the task force and made various recommendations. It also proposed further studies and testing on a number of statistical methods and procedures for the compilation of the post adjustment index, including: selection of outlets and items for price surveys; use of quality-adjustment and imputation techniques; trade-off between confidentiality and transparency considerations in the reporting of survey results; use of external data sources in the compilation of the index; use of rent or housing consumer price indices as opposed to internally calculated rent or housing projection factors in updating the rent or housing component of the index; treatment of publicly-provided services with a focus on education; and on whether the education index was to be computed as a cost rather than a price index.

DECISIONS OF THE COMMISSION

30. The Commission decided: to take note of the recommendations of the Advisory Committee on Post Adjustment Questions, and invited it to continue with the review of the methodology underpinning the post adjustment system, in line with the project management plan, and in preparation for the next round of surveys; to call for the continued collaboration with its secretariat of organizations and staff federations in the comprehensive review of the post adjustment system; and to approve the agenda for the forty-second session of the Advisory Committee.

Hardship allowance: review of level

31. The Commission reviewed an analysis of the application of three adjustment factors, in the context of the comprehensive review of the United Nations common system compensation package. The current amounts of the hardship allowance came into effect on 1 July 2016. The three adjustment factors reviewed were: the average movement of net base salary plus post adjustment in the eight headquarters duty stations of the United Nations system, which produced an increase of 1.03%; the movement of the out-of-area index used for post adjustment based on inflation factors in 26 countries, which produced an increase of 8.34%; and movement of the base/floor salary scale, which produced an increase of 2%. That would correspond to an amount estimated at US\$ 200 000 per annum for WHO.

DECISIONS OF THE COMMISSION

32. The Commission decided: to grant a 2% increase in hardship allowance with effect from 1 January 2020 (Annex VII to the Commission's report), in accordance with Article 11(b) of its Statute (see table in Annex 2 to this report); and to conduct a study on the hardship allowance to explore the possibility of changing the payment matrix to flat amounts, regardless of grade levels, and to assess the impact on staff movements and programme delivery in the near future.

Non-family service allowance: review of the level

33. In line with the review cycle of the level of allowances approved in 2016, the Commission reviews the level of the non-family service allowance every three years.

34. The non-family service allowance is an incentive for staff to undertake assignments at non-family duty stations. It recognizes the increased level of financial and psychological hardship incurred through mandatory separation from family members, including additional service-related costs.

35. The current level of the non-family service allowance has been set, with effect from 1 July 2016, at US\$ 19 800 per year for staff with eligible dependants and US\$ 7500 per year for staff without dependants. The figure of US\$ 19 800 per year was established by taking as references the average rent for the latest surveys (covering the period 2010–2014) collected under the post adjustment system, which was found to be about US\$ 1500 per month or US\$ 18 000 per year, and the levels of the former additional hardship allowance which the new allowance replaced.

36. The Commission's secretariat reviewed the level of the allowance through a detailed analysis of the rent data for the period 2015–2018. The average rent was calculated for a dwelling size of up to and including two bedrooms from the latest survey in each duty station since the most recent review (2015–2018), excluding countries with non-family duty stations. The resulting average global rent was US\$ 1600 per month, or US\$ 19 200 per year, which was lower than the current non-family service allowance of US\$ 19 800 per year for staff members with eligible dependents. Therefore, the Commission considered that the current levels should remain unchanged.

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37. The Commission decided: to maintain the current levels of the non-family service allowance at US\$ 19 800 per year for staff with eligible dependants and US\$ 7500 for staff without eligible dependants given that the current amount of US\$ 19 800 remains higher than the average global rent as per outcome of the current review of rent data; to review the level of the allowance again in three years; and to request the secretariat to compile a document outlining details of the adjustment methodology for the allowances referenced in the review schedule for ease of future reference in time of the next review in 2022.

Mobility incentive: review of level

38. In accordance with the current review cycle, as approved by the General Assembly in its resolution 70/244, the level of mobility incentive is to be reviewed every three years. The mobility incentive applies to staff with five consecutive years of prior service in an organization of the common system and from their second assignment (that is, the first geographical move), excluding H category duty stations. The mobility incentive is reflected in a matrix which varies by grade and number of assignments; it is discontinued after staff have spent five consecutive years at the same duty station.

39. In accordance with the adjustment methodology approved by the Commission, the weighted monthly average base salary of staff in the professional and higher categories in the year of review is to be used in revising the amounts of the mobility incentive.

40. The Commission's secretariat conducted a detailed analysis of the applicable salary scale as at 1 January 2019 and the latest available staff data from the United Nations System Chief Executives Board for Coordination contained in the personnel database as at 31 December 2017. The resulting mobility incentive at the P-1 to P-3 grade band amounted to US\$ 6700 per year (an increase of US\$ 200 compared to the existing rate), representing 100% of the weighted monthly average base salary. The rest of the matrix has been recalculated accordingly as shown in the table below.

41. Proposed new amounts for the mobility incentive:

(United States dollars)

Assignment number	Group 1 (P-1 to P-3)	Group 2 (P-4 to P-5)	Group 3 (D-1 and above)
2 to 3	6700	8375	10 050
4 to 6	8375	10 469	12 563
7+	10 050	12 563	15 075

That would correspond to an estimated US\$ 110 000 per annum for WHO.

DECISIONS OF THE COMMISSION

42. The Commission decided: to set the lower limit of the mobility incentive at US\$ 6700 per year and the resulting matrix as outlined in the table above with effect from 1 January 2020; and to review the level of the mobility incentive again in three years in accordance with the established schedule (A/71/30, Annex IV), subject to the outcome of the review of its purpose in 2021.

Relocation shipment: review of the ceiling for payments

43. In line with the review cycle set by the Commission, the Commission's secretariat reviewed the ceiling for relocation shipment-related lump-sum payments using the data on actual costs for relocation shipments received from the organizations. The note by the secretariat also provided information on relocation shipment options offered by the organizations in the common system. Based on the actual relocation shipment cost data for the period 2015 to 2017, the secretariat proposed to maintain the ceiling for relocation shipment-related payments at the current level of US\$ 18 000, and that the Commission might wish to review the ceiling every three years using actual shipment cost data.

DECISIONS OF THE COMMISSION

44. The Commission decided: to take note of the information on the review of the ceiling for relocation shipment-related payments; to maintain the ceiling for the relocation shipment-related lump-sum payments, in lieu of full removal by the organization, at the current level of US\$ 18 000; to review the ceiling for relocation shipment-related payments every three years using actual shipment cost data obtained from the organizations of the United Nations common system; and to request the organizations to report to it every three years on the actual annual costs of relocation shipment in order for it to conduct its review.

CHAPTER V OF THE COMMISSION'S REPORT

REVIEW OF THE CONSULTATIVE PROCESS AND WORKING ARRANGEMENTS IN THE COMMISSION

45. Following deliberations at its eighty-seventh session, the Commission had decided to establish a contact group to review the consultative process and working arrangements in the Commission. In particular, the contact group had identified a need for the following: a definition of consultation; improved planning, cost-effectiveness and communication around meetings and discussions; and a

thorough consultation process on candidates for the Advisory Committee on Post Adjustment Questions. The conclusions of the contact group would be discussed at the next session of the Commission in an informal meeting.

ACTION BY THE EXECUTIVE BOARD

46. The Board is invited to take note of the report.

ANNEX 1

**PROPOSED REVISED SLIDING REIMBURSEMENT SCALE FOR
EDUCATION GRANT**

<i>Claim amount bracket (US\$)</i>	<i>Reimbursement rate (%)</i>
0–13 300	86
13 301–20 000	81
20 001–26 700	76
26 701–33 400	71
33 401–40 000	66
40 001–46 700	61
46 701 and above	–

ANNEX 2

**REVISED ANNUAL AMOUNTS OF THE HARDSHIP ALLOWANCE
(EFFECTIVE 1 JANUARY 2020)**

(US\$)

<i>Hardship category of duty station</i>	<i>Group 1 (P-1 to P-3)</i>	<i>Group 2 (P-4 and P-5)</i>	<i>Group 3 (D-1 and above)</i>
A	–	–	–
B	5 930	7 110	8 300
C	10 680	13 040	15 410
D	14 230	16 610	18 960
E	17 790	21 340	23 720

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