EXECUTIVE BOARD 109th Session Provisional agenda item 6.3 EB109/27 3 December 2001

Confirmation of amendments to the Staff Rules

Report by the Secretariat

1. This report deals with (a) amendments to the Staff Rules resulting from decisions taken by the United Nations General Assembly on the basis of recommendations made by the International Civil Service Commission (ICSC)¹ and (b) highlights of the annual report of the Commission being considered by the Fifty-sixth session of the United Nations General Assembly and submitted to the Executive Board in accordance with Article 17 of the ICSC Statute.²

AMENDMENTS TO THE STAFF RULES RESULTING FROM DECISIONS TAKEN BY THE UNITED NATIONS GENERAL ASSEMBLY ON THE BASIS OF ICSC RECOMMENDATIONS

2. Amendments to the Staff Rules resulting from decisions expected to be taken by the United Nations General Assembly on the Commission's report are submitted for confirmation by the Executive Board in accordance with Staff Regulation 12.2. Should the General Assembly not be in agreement with the recommendations, an addendum to this document will be issued.

Schedule of salaries for the professional and higher category staff

3. The Commission has recommended to the General Assembly an upward adjustment of 3.87% of the common system base/floor salary scale, to take effect from 1 March 2002.³ This adjustment is a routine annual exercise designed to bring the base/floor salary scale of the United Nations system into line with the salaries of the comparator civil service (the United States federal civil service in Washington, D.C.).⁴ The adjustment consists in a consolidation of post adjustment (the cost-of-living element) into base net salary on a "no loss – no gain" basis. This ensures *inter alia*, that allowances that are linked to the base/floor salary scale (the mobility and hardship allowance and certain separation payments) keep pace with inflation. The staff assessment scale to be used in conjunction

¹ Copies of the latest edition of the Staff Rules and Staff Regulations (January 2001) are available in the meeting room.

² General Assembly Official Records, Fifty-sixth session: Supplement No. 30 (A/56/30) (copies available in the meeting room).

³ The base/floor salary scale was introduced in 1990; adjustments have been made every year since.

⁴ See Statute of the International Civil Service Commission, Article 17. WHO Official Records, No. 226 (1975), Annex 5.

with the establishment of gross base salaries effective 1 March 2002 remains unchanged. Amendments to Staff Rules 330.1.1 and 330.2 have been prepared accordingly and are contained in the Annex.

Salaries of staff in ungraded posts and of the Director-General

4. Subject to the above decision of the United Nations General Assembly, the Director-General proposes, in accordance with Staff Regulation 3.1, that the Executive Board should recommend to the Fifty-fifth World Health Assembly modifications in the salaries of ungraded posts. Thus the net salary for ungraded posts would be US\$ 108 379 (dependency rate) or US\$ 98 141 (single rate). Similar adjustments to the salary of the Director-General result in a modified net salary of US\$ 142 813 (dependency rate) or US\$ 127 000 (single rate). These changes are also based on the "no loss – no gain" formula.

HIGHLIGHTS OF THE REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION

5. Highlights of the twenty-seventh annual report of the International Civil Service Commission (ICSC) are detailed below.

Review of the pay and benefits system

6. Reform of the pay and benefits system is one of the principal elements of the Framework for Human Resources Management adopted by the Commission in 2000. In line with the principles set out in the Framework, the review aims for a modernized compensation system that will (a) reward staff in a competitive and equitable manner, on the basis of merit, competence, responsibility and accountability; (b) motivate and encourage staff to develop skills and competencies and provide opportunities for career advancement; (c) be flexible, transparent and administratively simple; and (d) meet organizations' needs to attract, develop and retain high-quality staff. At its 2001 session, the Commission decided to submit an interim report to the General Assembly. Work will continue in 2002 with the aim of providing a definitive report to the General Assembly. Areas of work that will be integrated with the review of the pay and benefits system include mobility and contractual arrangements (which are key elements of WHO's reform of human resources management).

Standards of Conduct for the international civil service

7. For the past three years, the Commission has been working closely with organizations and staff representatives to reach consensus on a revised text of the 1954 Standards of Conduct that will serve the needs of the international civil service in the twenty-first century. A revised text has now been adopted by the Commission (contained in Annex II of its Report) and is being recommended to the organizations. The Executive Board is invited to note the revised Standards, which will be issued to all staff in conjunction with the staff ethics framework being developed under the strategy for reform of human resources.¹

¹ Document EB109/25.

Introduction of the euro

8. The Commission has recommended to the General Assembly and organizations that as of 1 January 2002 the euro should be used as the official currency for those emoluments which are currently set in the national currencies of the 12 euro-zone countries which have adopted the euro as official currency. The national currency amounts would be converted by applying the respective fixed conversion rates and then rounded up or down to the nearest euro. This change will have an impact on the converted values of the education grant for nine currency areas and of the children's and secondary dependants' allowances for nine locations. It is also recommended that, where applicable, organizations convert into euros as of 1 January 2002 their respective general service salary scales and allowances on the basis of the above approach. WHO has taken the necessary administrative action to ensure a smooth transition to the euro.

ACTION BY THE EXECUTIVE BOARD

9. The Board may wish to consider the following draft resolutions.

Resolution 1

The Executive Board

CONFIRMS in accordance with Staff Regulation 12.2 the amendments to the Staff Rules that have been made by the Director-General with effect from 1 March 2002 concerning the salary scale applicable to staff in professional and higher category posts and the rates of staff assessment for professional and higher category posts.

Resolution 2

The Executive Board

RECOMMENDS to the Fifty-fifth World Health Assembly the adoption of the following resolution:

The Fifty-fifth World Health Assembly,

Noting the recommendations of the Executive Board with regard to remuneration of staff in ungraded posts and of the Director-General,

- 1. ESTABLISHES the salary for ungraded posts at US\$ 158 353 per annum before staff assessment, resulting in a modified net salary of US\$ 108 379 (dependency rate) or US\$ 98 141 (single rate);
- 2. ESTABLISHES the salary for the Director-General at US\$ 213 892 per annum before staff assessment, resulting in a modified net salary of US\$ 142 813 (dependency rate) or US\$ 127 000 (single rate);
- 3. DECIDES that those adjustments in remuneration shall take effect on 1 March 2002.

ANNEX

TEXT OF AMENDED STAFF RULES

330. SALARIES

Gross base salaries shall be subject to the following assessments:

330.1.1 For professional and higher category staff¹

Assessable income	Staff assessment rates for those with dependants (as defined in Rules 310.5.1 and 310.5.2)
US\$	%
First 30 000	18
Next 30 000	28
Next 30 000	34
Remaining assessable payments	38

Amounts of staff assessment for those with neither a dependent spouse nor a dependent child would be equal to the differences between the gross salaries at different grades and steps and the corresponding net salaries at the single rate.

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The following schedule of annual gross base salaries and of annual net base salaries shall apply to all professional and higher category posts:

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¹ With effect from 1 March 2002.

Salary scale for the professional and higher graded categories: annual gross salaries and net equivalents after application of staff assessment (effective 1 March 2002)

(US dollars)

									Step							
Level		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
D-2	Gross Net D Net S	129 834 90 697 83 322	132 689 92 467 84 805	135 540 94 235 86 286	138 392 96 003 87 768	141 245 97 772 89 250	144 097 99 540 90 733									
P-6/D-1	Gross Net D Net S	114 784 81 366 75 209	117 226 82 880 76 539	119 669 84 395 77 868	122 106 85 906 79 195	124 550 87 421 80 526	126 994 88 936 81 845	129 437 90 451 83 115	131 877 91 964 84 384	134 319 93 478 85 652						
P-5	Gross Net D Net S	101 084 72 872 67 698	103 294 74 242 68 955	105 505 75 613 70 159	107 715 76 983 71 362	109 924 78 353 72 565	112 132 79 722 73 767	114 344 81 093 74 970	116 553 82 463 76 173	118 761 83 832 77 376	120 974 85 204 78 579	123 185 86 575 79 781	125 392 87 943 80 983	127 602 89 313 82 162		
P-4	Gross Net D Net S	83 255 61 548 57 316	85 283 62 887 58 546	87 306 64 222 59 770	89 329 65 557 60 994	91 442 66 894 62 220	93 597 68 230 63 443	95 752 69 566 64 669	97 906 70 902 65 894	100 065 72 240 67 118	102 216 73 574 68 342	104 371 74 910 69 540	106 529 76 284 70 717	108 682 77 583 71 888	110 837 78 919 73 062	112 994 80 256 74 235
P-3	Gross Net D Net S	68 306 51 682 48 242	70 208 52 937 49 396	72 112 54 194 50 553	74 011 55 447 51 706	75 915 56 704 52 862	77 815 57 958 54 015	79 715 59 212 55 169	81 620 60 469 56 324	83 523 61 725 57 477	85 423 62 979 58 632	87 326 64 235 59 782	89 226 65 489 60 933	91 202 66 745 62 083	93 226 68 000 63 233	95 250 69 255 64 384
P-2	Gross Net D Net S	55 346 42 849 40 191	56 907 43 973 41 210	58 465 45 095 42 226	60 027 46 218 43 244	61 729 47 341 44 260	63 429 48 463 45 279	65 130 49 586 46 313	66 829 50 707 47 344	68 532 51 831 48 379	70 233 52 954 49 412	71 932 54 075 50 444	73 636 55 200 51 479			
P-1	Gross Net D Net S	42 944 33 920 31 997	44 444 35 000 32 992	45 942 36 078 33 986	47 442 37 158 34 980	48 939 38 236 35 974	50 438 39 315 36 967	51 938 40 395 37 962	53 436 41 474 38 944	54 932 42 551 39 921	56 432 43 631 40 899					

D = Rate applicable to staff members with a dependent spouse or child. S = Rate applicable to staff members with no dependent spouse or child.