



Personnel matters: report of the International Civil Service Commission

Report by the Director-General

The twenty-third report of the International Civil Service Commission (ICSC) is submitted to the Executive Board in accordance with Article 17 of the Commission's Statute. The Board is asked to take note of the Commission's report, the main elements of which are summarized in this document.

1. Under Article 17 of the Statute of ICSC,¹ the 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 twenty-third annual report of ICSC.² The report is to be considered by the United Nations General Assembly at its current session. Decisions of the General Assembly in connection with the Commission's recommendations requiring any revision of WHO's Staff Rules will be reported separately to the Board under provisional agenda item 16.4 (Confirmation of amendments to the Staff Rules).

RECOMMENDATIONS AND DECISIONS OF THE COMMISSION

Conditions of service of staff in the professional and higher categories

Evolution of the margin between net remuneration of the United States Federal Civil Service and that of the United Nations staff in grades P.1 to D.2

3. The Commission reported to the United Nations General Assembly the forecast of the margin of 115.7 for the period 1 January to 31 December 1997. With regard to the German/United States total compensation comparison, preliminary estimates maintained the earlier findings that the German Civil Service remuneration package was 10.5% higher than that of the United States Federal Civil Service.

¹ WHO Official Records, No. 226, 1975, p. 67.

² General Assembly Official Records, Fifty-second session: Supplement No. 30 (A/52/30) (distribution to members of the Executive Board only).

Base/floor salary scale and revision of the scale

4. The Commission recommended, with effect from 1 March 1998: (a) an increase of 3.1% based on consolidation of post adjustment on the “no gain no loss” principle as a consequence of a 3.3% (gross) increase in the salary scale of the United States Federal Civil Service; and (b) a revision of the common staff assessment rates for staff without primary dependants.

Geneva post adjustment

5. It will be recalled that at the end of 1996 the United Nations General Assembly requested the Commission urgently to complete its study of methodology for establishing a single post adjustment index for Geneva in order that it may be implemented at the earliest opportunity, but no later than 1 January 1998. ICSC decided to report to the United Nations General Assembly that it was not possible to implement the single post adjustment for Geneva by 1 January 1998 given the conclusions of the comprehensive study the Commission had undertaken of the entire matter. Four approaches had been described: (1) to apply a single post adjustment index (PAI) reflecting prices of goods and services in Geneva and the neighbouring areas of France; (2) to apply two post adjustments, one for those living in Switzerland and the other for those living in the neighbouring areas in France; (3) to apply a single PAI based on a comparison of prices of goods and services in Geneva only with those applicable in Manhattan only; and (4) to maintain the status quo.

6. The Commission concluded that none of the new approaches was without legal problems. Organizations in Geneva had indicated that the first three approaches might be incompatible with their staff regulations and rules; consequently the application of a revised post adjustment based on any of these approaches might be successfully appealed against by staff before the Administrative Tribunals. In addition, the Commission indicated that if the United Nations General Assembly decided in favour of a single post adjustment for Geneva, taking into account prices both in Geneva and neighbouring areas of France, the Geneva-based organizations should be given time to effect changes in their staff regulations concerning the definition of the Geneva duty station. In this connection, the United Nations General Assembly might consider requesting the Geneva-based organizations to bring this matter to the attention of their governing bodies. The ICSC suggested that the United Nations General Assembly might consider requesting the Commission to carry out a study of any measures to effect savings from the implementation of a single post adjustment for Geneva, after deduction of expenditure associated with transitional arrangements for implementation of the new measures and estimated costs of expected litigation, before pursuing the matter further.

Remuneration of staff in the general service category

Methodology for salary surveys at headquarters and non-headquarters duty stations

7. The Commission approved a number of changes to the methodology, *inter alia*, concerning selection and differentiation of labour markets at non-headquarters duty stations, benefit quantification, interim adjustment procedure, the criterion for establishing the non-pensionable component and the formula for calculating the dependent children's allowance.

8. Should the United Nations General Assembly have no reservations on the changes made to methodology, the Chairman of ICSC, by delegated authority, could promulgate the non-headquarters methodology effective 1 January 1998.

Conditions of service applicable to staff in the professional and higher categories and the general service category

Performance management

9. In response to a request by the United Nations General Assembly in December 1996, the Commission reviewed, within the context of the performance appraisal system, the feasibility of introducing a system of performance awards or bonuses to be granted to staff members in recognition of their individual achievements and outstanding performance.

10. The Commission, recognizing the need for a flexible approach to performance management, took the following decisions:

- (1) individual cash awards should not exceed 10% of the mid-point of the base/floor salary for professional staff and 10% of the mid-point of the net salary of general service staff;
- (2) performance awards and bonuses should not be payable to more than 30% of the workforce;
- (3) the amounts of awards should be differentiated according to performance level;
- (4) the overall cost of a recognition and reward programme should not exceed 1.5% of an organization's projected remuneration costs (i.e., net remuneration for professional and higher-category staff, and salaries for the general service category);
- (5) rating in a performance appraisal report should be the basis for determining who receives an award, subject to the conclusions of a board, group or similar body whose function would be to screen recommendations for awards.

11. The Commission provided additional guidance on the management of under-performance and decided, *inter alia*, that any pay-based approach to performance recognition should be introduced on a pilot basis.

Appointments of limited duration

12. It will be recalled that in 1994, the Commission considered, at the request of the United Nations General Assembly, a contractual arrangement developed by the United Nations for appointments of limited duration (ALD). The United Nations had developed flexible contractual arrangements for short-term staff to facilitate the recruitment, at short notice, and with minimum overhead costs, of non-career staff at both general service and professional levels for the Organization's peace-keeping, peace-making, humanitarian, technical cooperation and special operational needs. UNDP, in response to less predictable funding arrangements and increased need for specialized activities, was piloting a similar ALD scheme for time-limited activities. ICSC advised both the United Nations and UNDP that they could proceed with the new arrangements on a provisional basis.

13. In 1996 the Commission reviewed the contractual arrangements of the United Nations and UNDP and decided, considering the various technical, legal and human resources policy issues involved, that appointments of limited duration within the common system were appropriate provided that the extent of the practice did not threaten the international civil service. Noting the increasing trend towards employment arrangements of limited duration, the Commission endorsed a number of principles and guidelines for the use of ALDs in the common system, decided that the pilot status of the schemes should be maintained, and stipulated that other organizations wishing to use such arrangements could proceed on a pilot basis provided that the principles and guidelines for ALD employment were observed and that the ICSC secretariat was closely associated with the development of these arrangements. The Commission underlined the importance of ALD arrangements being used for the

purpose originally intended and that the overall limit of four years for employment under such arrangements should be strictly observed.

Participation of staff representatives in the work of the Commission

14. It will be recalled that the Federation of International Civil Servants' Associations (FICSA) withdrew from the Commission's deliberations in the summer of 1994. The Coordinating Committee for Independent Staff Unions and Associations for the United Nations System (CCISUA) also withdrew from participation in the Commission's deliberations at its session in August 1995.

15. Subsequently, the Commission at its spring 1997 session considered a request by CCISUA to establish a working group on the consultative process and the working arrangements of the Commission. The Commission agreed to this request, and the meeting will take place in January or February 1998 with the assistance of a facilitator acceptable to all parties. The working group will be composed of representatives from FICSA, CCISUA, executive heads, and members of the Commission.

ACTION BY THE EXECUTIVE BOARD

16. The Executive Board is invited to take note of the twenty-third annual report of the International Civil Service Commission submitted in accordance with Article 17 of the Commission's Statute.

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