

# **Report of the International Civil Service Commission**

## **Report by the Secretariat**

1. Under its Statute,<sup>1</sup> the International Civil Service Commission is required to submit an annual report to the United Nations General Assembly that 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 Health Assembly herewith the thirty-seventh annual report of the Commission.<sup>2</sup> The report was considered in December 2011 by the United Nations General Assembly at its sixty-sixth session. Decisions taken by the United Nations General Assembly on the Commission's recommendations that required a revision of WHO's Staff Rules were reported separately to the Board.<sup>3</sup> The subject concerned is the remuneration of staff members in the Professional and higher categories. In January 2012 at its 130th session, the Executive Board adopted resolutions EB130.R15 and EB130.R16, confirming the relevant amendments to the Staff Rules.<sup>4</sup> The Board also noted an earlier version of the present report.<sup>5</sup>

3. The main elements of the Commission's report are summarized below.

### **CONDITIONS OF SERVICE APPLICABLE TO BOTH CATEGORIES OF STAFF**

#### **Mobility/hardship scheme**

4. The current mobility and hardship scheme was established by the Commission in 1989. It was approved by the General Assembly in its resolution 44/198 as part of the package of measures emanating from the 1989 comprehensive review of conditions of service of staff in the Professional and higher categories. Since then, the Commission has reviewed the scheme several times in order to assess its operation and to respond, inter alia, to concerns raised by the Assembly.

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

<sup>2</sup> *Report of the International Civil Service Commission for 2011. General Assembly Official Records, Sixty-sixth session, Supplement No. 30* (document A/66/30) (copies available in the meeting room).

<sup>3</sup> Document EB130/28.

<sup>4</sup> See documents EB130/28 and EB130/2012/REC/1 for the resolutions, and for the financial and administrative implications for the Secretariat of the adoption of the resolutions.

<sup>5</sup> See documents EB130/27 and EB130/2012/REC/2, summary record of the thirteenth meeting, section three.

5. The Commission established a working group in 2009, comprising representatives of the Commission, its secretariat, the Human Resources Network of the United Nations System Chief Executives Board for Coordination, organizations and staff federations. According to its terms of reference, the working group would evaluate the scheme and its operation, by considering various factors, in order to determine whether it continued to achieve its purpose and intent.

6. The Working Group presented a report with consolidated recommendations to the Commission at its seventy-second session, based on which the Commission decided, among other technical issues, the following:

### **The mobility/hardship scheme**

(a) that each organization should determine how it can best administer the payment of the mobility and hardship elements;

(b) to request its secretariat to conduct a further assessment of the impact of the revised scheme on mobility once it has been in place for a period longer than a typical assignment length, that is, no earlier than at the time of the third review of the amounts, in 2015;

(c) in accordance with General Assembly resolution 65/248, to request the organizations and the secretariat of the United Nations System Chief Executives Board for Coordination to work closely with the Commission's secretariat to systematically collect and report on data. This collaborative effort would allow for a more meaningful analysis of the use and impact of specific allowances and other cross-cutting initiatives, such as the harmonization of conditions of service in non-family duty stations.

7. In addition, the Commission made decisions on the system for the classification of hardship duty stations and the designation of non-family duty stations.

### **Review of the level of the mobility, hardship and non-removal allowances**

8. At its seventy-third session, the Commission reviewed an analysis of the application of the adjustment factors of the mobility, hardship and non-removal allowances. It considered various options and decided:

(a) to grant a 2.5% increase for the hardship allowance, the mobility allowance and the non-removal allowance, respectively, with effect from 1 January 2012;

(b) that the additional non-family hardship element for staff serving in non-family duty stations should be adjusted by the same percentage as the hardship, mobility and non-removal allowances, with effect from 1 January 2012.

### **Danger pay**

9. The Commission decided on the replacement of "hazard pay" by a scheme called "danger pay" that would apply to extraordinary situations involving high risk for United Nations common system staff. It decided further, inter alia:

(a) to establish the level of danger pay for internationally recruited staff at \$1600 per month, with effect from 1 January 2012;

- (b) to request its secretariat to conduct a study of the method for establishing the level of danger pay for locally recruited staff and report thereon at its seventy-fifth session in 2012;
- (c) to establish, pending review and as an interim measure, the level of danger pay at the rate of 25% of the net midpoint of the applicable local General Service salary scale.

### **Review of pensionable remuneration**

10. The review of pensionable remuneration, which was started by the secretariat of the Commission in conjunction with the secretariat of the United Nations Joint Staff Pension Fund, was the first occasion for a comparison of the Pension Fund defined benefit scheme with the United States Federal Employees Retirement System.

11. The Commission took note of the difficulties in calculating the income replacement ratios owing to the significant differences between the two pension schemes and, as a step forward, requested that a clear and precise methodology should be developed that would explain how the comparison would be undertaken.

12. The Commission requested its secretariat to continue its review of pensionable remuneration in two phases:

- (a) develop a methodology for comparing schemes;
- (b) conduct an overall review of pensionable remuneration methodologies.

### **Performance management**

13. In its resolution 63/251, the General Assembly stressed the importance of developing mechanisms for better differentiating levels of performance and requested the Commission to work closely with organizations to identify workable means of rewarding performance and to submit an updated performance management framework to the Assembly. The Commission therefore decided to keep the issue of performance management under review and requested its secretariat to update the performance management guidelines that it had set out in 1997, with emphasis on culture and environment and on the leadership that must come from the top level of each organization to sustain such an environment.

14. The Commission considered a document containing the results of its secretariat's consultations with organizations and staff and setting out the elements of the updated framework. It concluded that the framework needed to be further refined. Some areas needed to be strengthened, such as placing more emphasis on the "buy-in" and strong commitment of executive management to change the organizational culture for the implementation of an effective performance management system. Other improvements included more guidance on ratings, which should be simple; enforcing good assessment practices; and workforce planning. It was generally agreed that the framework should be value-based and clearly focus on the importance of creating a motivational working environment and the definition of a performance culture. Financial rewards and merit steps were also considered and it was concluded that organizations should make a better use of the existing provisions of the salary scales.

15. The Commission decided:
- (a) to submit the revised framework to the General Assembly for its approval;
  - (b) to consider the use of merit steps at a future session.

### **Education grant methodology: minimum eligibility age for receipt of the grant**

16. In response to a request from the United Nations System Chief Executives Board for Coordination, the Commission addressed the issue of the minimum eligibility age requirement for receipt of the education grant.

17. The Commission decided to recommend to the General Assembly that for the school year in progress on 1 January 2012:

- (a) the current eligibility requirements should be amended as follows:  
*Minimum age:* The child is in full-time attendance at an educational institution at the primary level or above while the staff member is in the service of the organization. Education shall be deemed “primary” for the purposes of this criterion when the child is 5 years of age or older at the beginning of the school year or when the child reaches the age of 5 within three months of the beginning of the school year. **Exceptionally, a lower minimum eligibility age could be accepted for those educational institutions which, by virtue of law, require an earlier start of formal education;**
- (b) the organizations of the common system should be invited to amend the minimum eligibility age requirement accordingly in order to harmonize the grant eligibility criteria.

### **CONDITIONS OF SERVICE OF THE PROFESSIONAL AND HIGHER CATEGORIES**

#### **Identification of the highest-paid national civil service under the Noblemaire principle**

18. In accordance with the mandate provided to it under General Assembly resolution 44/198, the Commission periodically conducts studies to determine the highest-paid national civil service under the Noblemaire principle. The studies required comparison of compensation packages of national civil services, which could potentially replace the current comparator of the United Nations common system. The cross-country comparison of net compensation across several national civil services and the United States federal civil service, the current comparator, was conducted and the results were presented to the Commission at its seventy-second session for consideration and guidance.

19. The Commission acknowledged the economic background of the current study, noting that national civil services were reacting in different ways to the current financial crisis. For example, while some resorted to pay freezes, others chose to maintain salary levels but reduced the number of their staff. Specific individual measures undertaken by respective Governments to cope with their budgetary concerns would inevitably have had an uneven impact on remuneration levels. The Commission therefore decided:

- (a) that the current Noblemaire study should not proceed, noting that the comparison result showed that the current comparator paid the highest level of cash compensation and that the percentage differences with other civil services seemed too large to be offset by other compensation elements, and thus the current comparator would be retained;

- (b) that it would carry out another study to determine the highest-paid national civil service no later than the next Noblemaire study, scheduled for 2016.

### **Post adjustment matters**

#### **Report of the Advisory Committee on Post Adjustment Questions at its thirty-third session**

20. As part of the operation of the post adjustment system, comprehensive place-to-place surveys are conducted periodically at all duty stations. Such surveys are organized in rounds of five years, and each round of surveys is launched with baseline surveys at all headquarters duty stations including New York and Washington, DC. In this connection, place-to-place surveys were conducted by the Commission in Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, DC, in September and October 2010. The survey analysis was examined by the Advisory Committee on Post Adjustment Questions at its thirty-third session, in January 2011, and its recommendations submitted to the Commission.

21. The Commission decided:

- (a) to approve the results of the 2010 place-to-place surveys, as recommended by the Advisory Committee;
- (b) that the 2010 survey results for Geneva, London, Madrid, Montreal, Paris, Rome, Vienna and Washington, DC, should be taken into account in determining their respective post adjustment classification with effect from 1 April 2011;
- (c) that additional place-to-place surveys should be conducted for Bulgaria, Hungary, Poland and Romania in the middle of the present round of surveys.

#### **Evolution of the United Nations/United States net remuneration margin**

22. Under a standing mandate from the General Assembly, the Commission continued to review the relationship between the net remuneration of the United Nations staff in the Professional and higher categories in New York and that of the United States federal civil service employees in comparable positions in Washington, DC. For that purpose, it annually tracks changes in the remuneration levels of United Nations staff in the Professional and higher categories and of officials in comparable positions of the United States federal civil service, as well as other changes relevant to the comparison, including rates of taxation used for netting down comparator salaries and the cost-of-living relationship between New York and Washington, DC.

23. The Commission decided to report to the General Assembly that the margin between the net remuneration of officials in the Professional and higher categories of the United Nations in New York and officials in comparable positions in the United States federal civil service in Washington, DC, for the calendar year 2011 was estimated at 114.2. It also decided to draw the attention of the Assembly to the fact that the current average margin level for the past five years (2007–2011) was estimated at 114.0, which was below the desirable midpoint of 115.

## **Survey and report on diversity in the United Nations common system**

24. In its resolution 64/231, the General Assembly requested the Commission to review the measures taken by organizations of the common system concerning the implementation of paragraph 3 of Article 101 of the Charter of the United Nations.

25. The Commission had before it an examination of diversity policies in the organizations of the common system. The Commission was informed that organizations had implemented several policies with a view to creating diversified workforces. Such policies focused on: gender parity, employment of persons with disabilities, HIV/AIDS awareness in the workplace and geographical balance. The secretariat reported in some detail on geographical balance in the larger organizations of the common system.

26. The Commission decided:

- (a) to inform the General Assembly of the status of geographical distribution in the organizations of the common system and actions being taken by organizations and their governing bodies to achieve geographical balance;
- (b) to study recruitment policies with a view to recommending to organizations measures that would be more favourable to diversity;
- (c) to revert to discussing diversity broadly at a later date.

## **CONDITIONS OF SERVICE OF THE GENERAL SERVICE AND OTHER LOCALLY RECRUITED CATEGORIES**

### **Review of the General Service salary survey methodologies**

27. In accordance with article 11 of its statute, at the end of the sixth round of headquarters salary surveys, the Commission had commenced a review of the headquarters and non-headquarters methodologies for surveys of best prevailing conditions of employment. Accordingly, at its sixty-sixth session the Commission had established a Working Group consisting of four members of the Commission, six members designated by the organizations, two members designated by each staff federation (i.e. the Coordinating Committee for International Staff Unions and Associations of the United Nations System, Federation of International Civil Servants' Associations, and United Nations International Civil Servants' Federation), as well as representatives of the Commission's secretariat.

### **Approval of the methodologies**

28. Having concluded its review, the Commission approved the revised methodologies I and II, and decided that they would come into effect as of 1 January 2012. The Commission further decided that preparations for implementation including, inter alia, updating the salary survey manuals, providing training and updating the information technology systems used for the analysis of data should begin immediately.

## **CONDITIONS OF SERVICE IN THE FIELD**

### **Harmonization of the conditions of service for staff serving in non-family duty stations in the common system**

29. Having approved in 2010 the main elements of the rest and recuperation framework as proposed by the Commission, the General Assembly, in its resolution 65/248, decided that the framework should be regulated by the Commission.

30. The Commission decided:

(a) to promulgate a revised set of criteria for the granting of rest and recuperation travel, and the corresponding frequencies and conditions of travel, with an effective date of 1 January 2012;

(b) to recommend to the General Assembly that the period of authorized absence on rest and recuperation as stipulated in the approved framework be amended from five consecutive working days to five consecutive calendar days, plus approved travel time.

### **Establishing unified special operations living allowance rates**

31. At its seventy-first session, the Commission made recommendations on the harmonization of conditions of service in non-family duty stations. The recommendations included transitional arrangements for organizations that had been using the special operations approach and were paying staff a special operations living allowance. The recommendations were endorsed by the General Assembly in its resolution 65/248.

32. As a first step towards achieving the harmonization of conditions of service in non-family duty stations, it was decided that location-specific special operations living allowances would be harmonized by the Commission as a unified special operations living allowance rate for each location currently designated as a place of duty in consultation with the organizations and the staff federations. Such amounts were established accordingly and submitted to the Commission.

33. The Commission decided:

(a) to approve the list of unified special operations living allowance rates for non-family duty stations, effective 1 January 2012 for staff assigned to a new administrative place of assignment between 1 January 2012 and 30 June 2012. For existing staff, the new unified rates will become effective on 1 July 2012;

(b) to delegate the decision on the location-specific special operations living allowance amounts for new non-family duty stations and their promulgation to the Chair of the Commission during the transitional period (that is, until 30 June 2016);

(c) to request organizations to consult the Chair on all policy issues relating to special operations living allowance rates.

### **Designation of non-family duty stations**

34. At its seventy-third session the Commission decided:

(a) that the Chair of the International Civil Service Commission may designate a duty station as a non-family duty station for the purposes of the additional hardship allowance for service in non-family duty stations. This will apply to those duty stations where the United Nations Department of Safety and Security decides that for reasons of safety and security all eligible dependents are restricted from being present at the duty station for a period of six months or longer. The additional hardship allowance is payable to internationally recruited staff assigned to non-family duty stations;

(b) to delegate to the Chair of the Commission the authority to decide when to declare a duty station non-family, after consultation with the ICSC Working Group for the Review of Conditions of Life and Work in Field Duty Stations.

### **ACTION BY THE HEALTH ASSEMBLY**

35. The Health Assembly is invited to note the thirty-seventh annual report of the International Civil Service Commission.

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