United Nations

Report of the International Civil Service Commission for the year 2020

General Assembly

Official Records
Seventy-fifth Session
Supplement No. 30

General Assembly
Official Records
Seventy-fifth Session
Supplement No. 30

A/75/30

Report of the International Civil Service Commission for the year 2020

United Nations • New York, 2020

Note

Symbols of United Nations documents are composed of letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

ISSN 0251-9321

[Original: English]
[28 October 2020]

Contents

Abbreviations

CCISUA	Coordinating Committee for International Staff Unions and Associations of the United Nations System
CEB	United Nations System Chief Executives Board for Coordination
FAO	Food and Agriculture Organization of the United Nations
FICSA	Federation of International Civil Servants' Associations
IAEA	International Atomic Energy Agency
ICAO	International Civil Aviation Organization
ICSC	International Civil Service Commission
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IMO	International Maritime Organization
ITU	International Telecommunication Union
PAHO	Pan American Health Organization
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNISERV	United Nations International Civil Servants Federation
UNOPS	United Nations Office for Project Services
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNWTO	World Tourism Organization
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

Glossary of technical terms

The glossary of technical terms can be found in a separate document on the website of the International Civil Service Commission at: https://unicsc.org/Home/Library.

Letter of transmittal

Letter dated 28 October 2020 from the Chair of the International Civil Service Commission addressed to the Secretary-General

I have the honour to transmit herewith the forty-sixth annual report of the International Civil Service Commission, prepared in accordance with article 17 of its statute.

I should be grateful if you would submit the present report to the General Assembly and, as provided in article 17 of the statute, also transmit it to the governing organs of the other organizations participating in the work of the Commission, through their executive heads, and to staff representatives.

(*Signed*) Larbi **Djacta**
Chair

Summary of recommendations of the International Civil Service Commission that call for decisions by the General Assembly and the legislative organs of the other participating organizations

Paragraph reference	
	Remuneration of staff in the Professional and higher categories
	1. Base/floor salary scale
55 and annex IV	The Commission recommends to the General Assembly, for approval with effect from 1 January 2021, the revised unified base/floor salary scale, as well as the updated pay protection points for the Professional and higher categories, as set out in annex IV to the present report, reflecting a 1.90 per cent adjustment, to be implemented by increasing the base salary and commensurately decreasing post adjustment multiplier points, resulting in no change in net take-home pay.
	2. Evolution of the United Nations/United States net remuneration margin
61 and annex V	The Commission decides 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 that of officials in comparable positions in the United States federal civil service in Washington, D.C., for the calendar year 2020 was estimated at 113.0.
	3. Children's and secondary dependants' allowances: review of methodology and level
107	The Commission recommends to the General Assembly that, with effect from 1 January 2021, the children's allowance be set at $3,222 per annum, the disabled child allowance be set at $6,444 per annum and the secondary dependant's allowance be set at $1,128 per annum. The Commission further recommends for approval that, at hard-currency duty stations, the United States dollar amount of the allowances be converted to the local currency using the official United Nations exchange rate as at the date of promulgation and remain unchanged until the next biennial review, regardless if there is an update to the level; and that the dependency allowances be reduced by the amount of any direct payments received by staff from a Government in respect of dependants.

Summary of financial implications of the decisions and recommendations of the International Civil Service Commission for the United Nations and other participating organizations of the common system

Paragraph reference	
	Remuneration of staff in the Professional and higher categories
	1. Base/floor salary scale
52	The financial implications associated with the Commission's recommendation on an increase of the base/floor salary scale, as set out in annex IV, were estimated at approximately $858,000 per annum, system-wide.
	2. Children's and secondary dependants' allowances: review of methodology and level
105	With the increase of 10 per cent for children's and secondary dependants' allowances effective 1 January 2021, the financial implications were estimated at $11.3 million per annum, system-wide.
	3. Danger pay: review of level
133	The financial implications system-wide of the Commission's decisions with respect to the payment of danger pay at $1,645 per month for internationally recruited staff were estimated at approximately $1.9 million per annum and $4.6 million per annum for the monthly payment of danger pay at 30 per cent of the net midpoint of the applicable General Service salary scales for 2019, divided by 12, effective 1 January 2021.
	4. Miscellaneous
159	Based on a needs assessment carried out by the Commission in response to a request by the General Assembly contained in paragraph 10 of resolution 74/255 B, the Commission is requesting two additional posts of Communications Officer and Legal Officer, both at the P-4 level, in the ICSC secretariat, the financial implications of which were estimated at approximately $455,200 per annum.

Chapter I
Organizational matters

A. Acceptance of the statute

1. Article 1 of the statute of the International Civil Service Commission (ICSC), approved by the General Assembly in its resolution 3357 (XXIX) of 18 December 1974, provides that:

> "The Commission shall perform its functions in respect of the United Nations and of those specialized agencies and other international organizations which participate in the United Nations common system and which accept the present statute"

2. To date, 16 organizations have accepted the statute of the Commission and, together with the United Nations itself and its funds and programmes, participate in the United Nations common system of salaries and allowances.[1] One other organization, although not having formally accepted the statute, participates fully in the work of the Commission.[2] Therefore, 28 organizations, agencies, funds and programmes (hereinafter "organizations") cooperate closely with the Commission and apply the provisions of its statute.

B. Membership

3. The membership of the Commission for 2020 is as follows:

Chair:
Larbi Djacta (Algeria)*

Vice-Chair:
Aldo Mantovani (Italy)**

Members:
Andrew Bangali (Sierra Leone)***
Marie-Françoise Bechtel (France)***
Mohammed Farashuddin (Bangladesh)*
Carleen Gardner (Jamaica)***
Luis Mariano Hermosillo (Mexico)**
Yuji Kumamaru (Japan)**
Ali Kurer (Libya)***
Jeffrey Mounts (United States of America)**
Wolfgang Stöckl (Germany)**
Vladimir Storozhev (Russian Federation)*
Xiaochu Wang (China)*
Boguslaw Winid (Poland)***
El Hassane Zahid (Morocco)*

---

* Term of office expires 31 December 2020.
** Term of office expires 31 December 2021.
*** Term of office expires 31 December 2022.

---

[1] ILO, FAO, UNESCO, ICAO, WHO, UPU, ITU, WMO, IMO, WIPO, IAEA, UNIDO, UNWTO, the International Seabed Authority, the International Tribunal for the Law of the Sea and the Comprehensive Nuclear-Test-Ban Treaty Organization.

[2] IFAD.

C. Session held by the Commission and questions examined

4. The Commission held one session in 2020, the ninetieth, at the United Nations Office at Geneva from 12 to 21 October.

5. At that session, the Commission examined issues that derived from decisions and resolutions of the General Assembly as well as from its own statute. A number of decisions and resolutions adopted by the Assembly that required action or consideration by the Commission are discussed in the present report.

D. Programme of work of the Commission for 2021–2022

6. The programme of work of the Commission for 2021–2022 is contained in annex I.

Chapter II
Reporting and monitoring

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

7. The Commission considered a note by its secretariat on resolutions and decisions adopted by the General Assembly relating to the work of the Commission. In the note, the Secretariat highlighted the first presentation given by the Chair on the work of the Commission to the Fifth Committee of the General Assembly. After reaffirming the commitment of the Commission to carrying out its mandate to regulate and coordinate the conditions of service of the United Nations common system, the Chair briefed the Committee on the work of the Commission during 2019, highlighting items such as post adjustment, the base/floor salary scale, the evolution of the United Nations/United States net remuneration margin, the education grant, the hardship allowance, the non-family allowance, relocation shipments and the mobility incentive.

8. Participants at the session were informed that, following the Chair's introduction of the annual report of the Commission, there had been in-depth discussions in the Fifth Committee centred around the judgments by the Administrative Tribunal of the International Labour Organization with respect to the post adjustment. In addition, participants were informed that suggested changes to the education grant level had also elicited numerous questions.

9. The Fifth Committee approved the recommendation of the Commission concerning the base/floor salary scale; it took note of the decisions of the Commission with respect to the hardship allowance and the mobility incentive and requested additional information on the education grant.

10. On 27 December 2019, the General Assembly adopted resolutions 74/255 A and B without a vote.

Discussion in the Commission

11. The Human Resources Network and all three staff federations took note of the decisions of the General Assembly.

12. Members of the Commission expressed appreciation for the decisions of the General Assembly, particularly in regard to its reinforcement of the role of the Commission, adding that it was important for the proper functioning of the Commission. They questioned whether, based on the decisions of the Assembly, the International Labour Organization Administrative Tribunal would reconsider its decisions. In concluding the discussion, the Chair thanked the Assembly for its appreciation of the work of the Commission and for reaffirming its commitment to a single, unified United Nations common system as the cornerstone for the regulation and coordination of the conditions of service of the United Nations common system.

Decision of the Commission

13. The Commission decided to take note of General Assembly resolutions 74/255 A and B.

B. 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

14. The Commission considered a note by its secretariat on the implementation of decisions and recommendations of the Commission, the General Assembly and the legislative or governing bodies of the organizations of the United Nations common system as provided for under article 17 of its statute. The note also provided broad information on other human resources matters of potential interest to the Commission. While the collection of information had been subject to repeated extensions of deadlines owing to the coronavirus disease (COVID-19) pandemic, 25 common system organizations ultimately responded to the questionnaire from the ICSC secretariat.[3]

15. The Commission was informed that all organizations had implemented the revised levels of the hardship allowance and mobility incentive that were effective as of 1 January 2020. Since the previous monitoring report was issued, the International Seabed Authority had implemented the mandatory age of separation of age 65 for staff who had joined the organization before 1 January 2014. That organization had now also implemented the new education grant scheme for the school year in effect on 1 January 2018. In accordance with the principles and guidelines for performance appraisal and management for the recognition of different levels of performance, as approved by the General Assembly in its resolution 72/255, WIPO had removed the provision for a so-called organizational performance bonus that had been granted to all staff with satisfactory performance in 2018.

Discussion in the Commission

16. The Human Resources Network took note of the report.

17. FICSA was pleased with the reported efforts made by some organizations to implement recommendations, particularly in areas related to diversity and inclusion and learning and development. CCISUA stressed that resolutions of the General Assembly and decisions of ICSC needed to be implemented in a timely manner and without modification. In the view of CCISUA, compliance with ICSC recommendations was essential to strengthening the United Nations common system. UNISERV took note of the report and expressed the view that organizations should use the three contractual modalities foreseen under the ICSC framework for all staff.

18. The Commission welcomed the above-mentioned actions taken by the International Seabed Authority. The Commission also welcomed the action by WIPO to remove the above-mentioned performance bonus that had not met the original intent of such bonuses as established by the Commission. It strongly reiterated the need for organizations to implement the decisions of the Commission and of the General Assembly in a uniform and timely manner.

19. With regard to the information provided by common system organizations on matters related to human resources, some members of the Commission expressed the view that in addressing the issue of gender parity, organizations should bear in mind Article 101, paragraph 3, of the Charter of the United Nations and the need to strengthen geographical balance. Measures taken to achieve gender balance should

---

[3] Twenty-one organizations responded before the document deadlines while four (International Seabed Authority, ITU, PAHO and UNESCO) responded after. Four other organizations (IAEA, International Tribunal for the Law of the Sea, UNIDO and WMO) did not respond.

avoid perceptions of reverse discrimination through the pursuit of arbitrary quotas which could have an impact on staff morale.

20. During the discussions, information was sought with regard to the timeline for the review of the reduced non-family service allowance that had been instituted at hardship level E duty stations that were not designated as non-family duty stations. UNISERV requested the Commission to move forward in that regard with a recommendation to include D duty stations as soon as possible. The Commission noted that a review of that item was on its work programme in 2021; therefore, any consideration of the item would be premature at the current time.

Decisions of the Commission

21. The Commission decided to:

(a) Take note of the information provided and the actions taken by the organizations concerned, as describe ed in paragraph 15 above;

(b) Request the organizations to coordinate closely with the secretariat of the Commission on issues under the upcoming programme of work of the Commission.

Chapter III
Conditions of service applicable to both categories of staff

A. Contractual arrangements: review of the implementation of the three types of contracts

22. The Commission considered a report on the implementation of the ICSC framework for contractual arrangements (A/65/30, annex V). Three appointment types are foreseen under the framework, namely, continuing, fixed-term and temporary appointments. At the time of its review of that issue, in 2012, the Commission had clarified that the common system organizations were not required to implement all three types of appointments and might choose any combination that best met their needs.

23. For the preparation of the latest report, the ICSC secretariat had disseminated a questionnaire to the common system organizations, to which 23 organizations had responded in late 2019.[4] Nineteen of the organizations had reported that they had implemented the ICSC contractual framework. One additional organization reported that it had not implemented continuing appointments, which was actually not inconsistent with the ICSC framework.

24. Three organizations had reported changes to their contractual policies since the issuance of the previous report. An additional six organizations reported that they were reviewing their contractual policies. Thirteen of the 19 organizations reporting that they had implemented the ICSC contractual framework considered that it met their needs, while two stated that this was the case to an extent. Among the issues raised by some organizations was a request for a project-specific contractual modality. Some organizations pointed out that the temporary appointment modality was too limiting. One organization reported that the reintroduction of continuing appointments in that organization had subsequently been reversed owing to pressure from its member States, which had urged the organization to reduce its long-term staff obligations, which were perceived to come with that appointment type. One organization reported that in the context of a task force of CEB on the future of work, it would be actively involved in exploring the contractual modalities that might be required for a future workforce. That work would need to be linked to any ICSC review of the contractual framework.

Discussion in the Commission

25. The Human Resources Network welcomed the reflections in the report. The Network stated that, in October 2019, the High-level Committee on Management had established a task force on the future of the United Nations workforce with a mandate consisting of three principle aims: (a) to review the current contractual modalities of the United Nations system; (b) to consider new ways of working in order to propose elements to foster an enabling culture and positive employee experience from multiple perspectives, including leadership, people management, flexible work arrangements, transparency and dialogue; and (c) to look into pilot initiatives that leveraged the digitized work environment, enabled by technology, in support of the aims of the other two key areas.

26. With the onset of the COVID-19 pandemic, the task force had reoriented its work to focus on the immediate impacts of the pandemic – both positive and negative – on the ways of working of the United Nations and on the implications for

[4] The Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization, the International Seabed Authority, UNOPS, UPU and WMO, did not respond.

the future, as well as derive important lessons learned for the future. Taking into consideration that the ICSC secretariat's report was based on a survey undertaken before the COVID-19 pandemic and that the High-level Committee on Management task force was expected to submit its final report to the Committee in the second quarter of 2021, the Human Resources Network recommended that any proposed ICSC working group be established after input from the senior management of United Nations organizations. Those organizations stood ready to collaborate on the matter, including on finding the right balance between organizational flexibility and attractive contractual arrangements in order to be prepared for the impact of the changing environment on the future of work in the common system.

27. FICSA noted that the three staff federations had worked closely in preparation for consideration of the agenda item and all interventions should be considered complementary. FICSA stated that the discussions at the current session had touched on, inter alia, the need to attract and retain staff of the highest standards of competence, efficiency and integrity; the need to improve long-term career development opportunities; competitiveness of the common system organizations; and the importance of the mental health and well-being of their staff members serving across the globe. In the light of the comments made by all stakeholders on those points, it was difficult to understand why the ICSC secretariat would recommend the establishment of a working group to consider additional contractual arrangements when the common system was in desperate need of conditions that were simple, stable and predictable, as highlighted in the consideration of other issues. FICSA further noted that any review should focus on the existing three types of contracts. Meanwhile, the organizations should be urged to implement the three types of contracts, which had been reviewed only in 2016, rather than a revision of the entire framework being undertaken.

28. In relation to the statement from the Human Resources Network, FICSA was grateful for the recent decision by the High-level Committee on Management to include the staff federations in the work of the Committee's task force after repeated requests and looked forward to engaging in an open and transparent exchange of views. FICSA was concerned that any steps towards the erosion of job security and the growing trend of recruiting staff with limited or no social security would have a negative impact on the ability of the organizations to attract and retain staff, and would undermine their obligation to ensure a neutral and independent international civil service, as per the principles enshrined in the ICSC code of conduct. FICSA also underlined the obligation and duty of care of the organizations to ensure the same levels of stability and respect for the future generations that would hopefully join the United Nations workforce as those afforded to existing staff members. The measures being considered, particularly in the context of the global COVID pandemic, created uncertainty and stress at a time when staff needed to feel that their contributions were valued.

29. CCISUA believed that the three existing contractual modalities were well suited to covering all conceivable staffing needs of the organization. In recognition of the concerns expressed by some organizations regarding the need for project-based contracts, consideration could be given to adjusting temporary or fixed-term modalities to link their duration to the funding of a project, while all other conditions of employment should remain equal. CCISUA was of the view that the General Assembly had repeatedly reaffirmed its support for the integrity and independence of the international civil service. CCISUA believed that this integrity and independence could be guaranteed only by offering a stable and predictable career path that would retain the best and brightest staff and avoid a transfer of skills and expertise to organizations outside the United Nations system or to the private sector. Integrity and

independence depended on loyalty on the part of both the staff member and the organization.

30. CCISUA considered that the current proposals in the High-level Committee on Management purported to give the organization more "agile" (i.e. precarious) contractual modalities, which entailed finding people with the profile or skills required for a given purpose, then discarding them once the task was completed. Extending that new modality would render all United Nations staff contracts consultancy contracts. However, the General Assembly had repeatedly expressed its scepticism in that regard, requiring repeatedly that "the use of consultants should be kept to a minimum and that the Organization should use its in-house capacity to perform core activities or to fulfil functions that are recurrent over the long term", most recently in paragraph 23 of its resolution 74/262. While the option to deploy consultancy contracts remained available to the organizations in appropriate, well-defined circumstances, any attempt to expand their use under another name would be contrary to the express will of the Assembly. In addition, in the view of CCISUA, "gig" contracts tended to favour highly mobile, young, able-bodied employees from developed countries with generous welfare policies to fall back on once their contract expired, who could use their United Nations experience as a springboard to jobs outside the common system. CCISUA considered that organizations should be seeking to build agility within a stable and loyal workforce by investing in meaningful career development and training programmes, in work-life balance that allowed individuals to pivot within their careers and in consistent workforce planning.

31. UNISERV supported the interventions from FICSA and CCISUA. The Federation noted that the High-level Committee on Management task force had made several recommendations to the Committee related to the introduction of a so-called "agile" contractual framework which "could progressively replace the current contractual framework with one, flexible contractual modality for the future". UNISERV found that the Committee's statement was worrying for all the staff it represented and was causing more stress and uncertainty during the difficult time of COVID-19. UNISERV believed that the current contractual framework, consisting of temporary, fixed-term and continuing appointments, was fit for purpose. Most of the stated elements that would make up the "agile contract modality" were available within the current contractual framework and the notion that a new contractual arrangement was required was misguided and disingenuous. UNISERV agreed with the aim of simplification of rules and policies to enable faster decision-making but did not see a connection with contractual arrangements to achieve that admirable goal.

32. UNISERV stated that the transformation of the United Nations into a more nimble and agile organization should focus on "structure, people, technology and processes", building on the United Nations leadership framework, and have an effective talent management strategy, flattening organizational hierarchy and simplifying reporting structures. Attracting a young and talented workforce was dependent on a system in which advertised job openings offered opportunities for young people to enter the system without burdensome requirements of years of relevant experience. In addition, recruitment at lower-level functions should be reintroduced, as recruitment in the field occurred at levels at which experience in excess of 7 or 10 years was required (i.e. FS-5/FS-6, or P-3). UNISERV observed that, since one of the stated elements of the High-level Committee on Management "agile" contract modality was that it should be "financially sustainable", staff at lower levels were obviously less costly than staff at higher levels, and noted that the pay scales already existed. Furthermore, UNISERV suggested that portability of the United Nations pension would enable people to rotate in and out of organizations while maintaining some semblance of social security, which many staff had to give up on in their home countries when they chose to become international civil servants.

33. All staff federations were of the view that the Commission should ensure the continuance of the three existing appointment types under the current ICSC contractual framework. As such, the federations could not agree with the proposal to establish a working group and urged the Commission to advocate for and monitor the full implementation of the current framework by the organizations.

34. Some members of the Commission considered that it should examine why some organizations were not implementing the current contractual framework, what the particular challenges were and whether those challenges were being driven by trends in funding. While Commission members generally were of the view that the current three types of appointment foreseen under the ICSC contractual framework should adequately meet the needs of the organizations, they were open to the formation of a working group to analyse the use of the framework and assess the constraints, if any, that it imposed on the organizations. The portability of pensions of staff with less than five years of service was noted by some members of the Commission as an issue that merited consideration, while bearing in mind that it would require action by the United Nations Joint Staff Pension Board. Members of the Commission considered that the enunciation of terms of reference would clarify the purpose of the working group and that the ICSC secretariat could conduct any prior preliminary analysis.

35. Some members of the Commission noted that, while the Commission was faced with constant calls to be agile, flexible and nimble, some stakeholders were calling for the current status quo on the issue of the ICSC contractual framework to be maintained for the perceived sake of stability, rather than taking a technical and transparent approach. Those members were of the view that, while the common system organizations needed to retain existing staff, they also needed to attract new talent. In their view, the Commission could look at the number of project-related staff and consider whether a contract modality for national staff working in projects should be considered. On the issue of project-related work with fixed start and end dates, several Commission members again noted that the temporary and fixed-term appointment types foreseen under the current ICSC contractual framework should meet such needs and that the organizations should provide greater clarity on why that was not the case.

36. Some members of the Commission expressed the view that the world was in the early stages of very disruptive and radical changes to the workplace and that the organizations were beginning to grapple with such impending changes. They noted that millions of employees, in both the private and public sectors, had been able to continue working away from their offices for almost all of 2020. Therefore, while the existing ICSC contractual framework might indeed provide sufficient flexibility to meet current requirements, there was a need for the Commission to initiate a dialogue with the organizations and staff about the changing nature of work and the implications for a future workforce, especially since some jobs might no longer exist in their current form. At the appropriate time, a working group could be initiated by ICSC to develop specific proposals for a new type of contractual relationship between the common system organizations and their staff.

37. The Human Resources Network repeated its request that any working group be established only after the High-level Committee on Management had concluded its work as, at its next meeting, the Committee was expected to give further direction to its task force. In addition, the Network reiterated that the COVID-19 situation had changed everything since the preparation of the secretariat’s report almost one year earlier. FICSA, CCISUA and UNISERV again recalled their positions in that regard. They acknowledged that it was the prerogative of the Commission to decide to convene any working group and that they would participate in the interest of their members. However, they needed to have a better understanding on the scope and mandate of such working group before engaging in that exercise.

38. The Commission was concerned that current discussions outside of the Commission, and without its involvement, touching on the issue of contractual modalities and the introduction of new types of contracts could advance to a stage where the Commission was faced with a fait accompli. The Commission highlighted that it should be included in discussions by the organizations on issues under the Commission's purview. The Commission also noted that staff federations had only recently been invited to participate in the task force of the High-level Committee on Management. Therefore, the Commission needed to closely follow related developments. The Commission would benefit from more clarity on the existing contractual policies of the organizations and the particular issues that they had with the ICSC contractual arrangements that affected their ability to meet their mandates. A working group could also consider, in particular, whether the differences in the mandates of field and headquarters-based organizations required any adjustments to the current appointment types, without the introduction of a fourth appointment or contract type.

39. Members of the Commission were of the view that rather than abandoning the current framework, which had been developed over several years, and seeking a fourth contract type to replace the three existing ones, any working group should first review and consider whether adjustments to the current framework could address any identified issues and future needs that were agreed upon. However, that should be based on sufficient and convincing reasons presented to the working group. On that basis, the staff federations agreed to the establishment of a working group.

Decision of the Commission

40. The Commission decided to establish a working group to review the implementation of the current contractual framework by the organizations and any possible improvements within the current framework, and make recommendations as needed at its ninety-second session.

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

41. In its resolution 74/255 B, the General Assembly requested the Commission to report on the implementation of the principles and guidelines for performance appraisal and management for the recognition of different levels of performance to the Assembly at its seventy-fifth session. The ICSC principles and guidelines were approved by the General Assembly in its resolution 72/255 and the Commission had provided its first report on their implementation at the Assembly's seventy-fourth session. At its ninetieth session, the Commission considered a report by its secretariat on the basis of a questionnaire sent to the common system organizations, to which 23 organizations responded.[5]

Discussion in the Commission

42. The Human Resources Network took note of the report and stated that it would intervene as needed during the discussions.

43. FICSA reiterated its position that performance management in organizations was often very subjective and dependent on interpersonal relationships rather than on transparent and consistent performance management criteria. While FICSA noted that

[5] Six organizations (IAEA, International Seabed Authority, International Tribunal for the Law of the Sea, UNESCO, UNIDO and WMO) did not respond.

some steps had been taken to address that fundamental issue, which was appreciated and encouraged, it believed that additional efforts were required by organizations before any further steps were taken towards monetary or other rewards. CCISUA was of the view that performance management needed to be strengthened and linked to career growth for staff and that the granting of rewards should be based on fair and transparent processes rather than subjective criteria. UNISERV fully supported the statements by FICSA and CCISUA and noted that performance management systems in the United Nations had few or no mechanisms to recognize and reward staff for high performance. UNISERV also did not see a link between the long service awards provided by some organizations, including the United Nations, and performance management, although the gesture was appreciated by staff. CCISUA stated that there was a need to recognize the subjectivity of determining "underperformance", as both overperformance and underperformance were linked to reasons that lay either in the person, the behaviour or the organization. Furthermore, CCISUA emphasized that performance rewards needed to be granted using a bottom-up approach.

44. Members of the Commission observed that the cost of cash and non-cash rewards (see annex II) in the organizations that had implemented them was below 1.5 per cent of remuneration costs as specified in the ICSC principles and guidelines (see annex III). Members of the Commission also noted that, while individual and team awards were foreseen, bonuses given to all staff were inconsistent with the principles and guidelines. In that regard, the actions taken by WIPO to remove a so-called organizational performance bonus, which had been paid to all staff with satisfactory performance in 2018, was welcome.

45. Some members of the Commission were of the view that monetary performance rewards were a good tool to incentivize performance and that the organizations should steadily advance towards establishing greater rewards programmes to recognize exceptional performance within the budgetary limit of 1.5 per cent of remuneration costs. In that regard, some members also noted the need for credible performance appraisal systems; they stated that monetary rewards, which were not yet a part of the culture of the organizations, were not required by the ICSC principles and guidelines.

46. Several members of the Commission expressed the view that career progression was a stronger motivator for higher performance than monetary rewards and that this was also an issue that had emerged from the Commission's preliminary global staff survey results, along with the desire for recognition of exceptional performance. The issue of career progression was all the more important now that the mandatory age of separation had been increased to age 65. The issue of career progression and broader issues of career development could also be looked at in terms of inter-agency assignments. In addition, offering staff the possibility to learn, grow and develop on the job, as noted by one organization, was an important motivator, and that aspect should be reflected in the ICSC principles and guidelines in the future. FICSA, CCISUA and UNISERV stated that they fully supported the comments made by members of the Commission regarding the need to align high performance with career progression, as it would motivate staff.

47. The Commission noted that the issue of addressing underperformance was just as important as recognizing and rewarding exceptional performance and noted the efforts by some organizations in that regard. The Commission considered that efforts to identify and deal with issues of underperformance could improve the morale of staff and that organizations should be further encouraged in that area. It was recognized that managers were central to improving performance management and to the success of measures dealing with underperformance. Therefore, it was important to hold them accountable in that regard.

Decisions of the Commission

48. The Commission took note of the report and:

(a) Drew the attention of the General Assembly to the issues described in paragraph 44 above;

(b) Urged the organizations to continue to make more efforts to address issues of underperformance by holding managers accountable.

Chapter IV
Conditions of service of the Professional and higher categories

A. Base/floor salary scale

49. The concept of the base/floor salary scale was introduced, with effect from 1 July 1990, by the General Assembly in its resolution 44/198 (sect. I.H, para. 1). The scale is set by reference to the base General Schedule salary scale of the comparator civil service, currently the federal civil service of the United States of America. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials at the established reference point of the scale (P-4, step VI) with the corresponding base salaries of their counterparts in the United States federal civil service (step VI in grades GS-13 and GS-14, with a weight of 33 per cent and 67 per cent, respectively).

50. A 2.6 per cent increase in the base General Schedule salary scale of the comparator civil service was implemented with effect from 1 January 2020. In addition, tax changes were introduced in the United States in 2020. In the federal tax system, the income levels of tax brackets and the standard deduction amounts were increased. The standard deduction amount for the State of Virginia was also increased. No changes were registered in the tax legislation of the District of Columbia or the State of Maryland in 2020.

51. In order to reflect the combined effect of the movement of gross salaries under the General Schedule and the tax changes in the United States and to maintain the common system salaries in line with those of the comparator, an increase of 1.90 per cent in the base/floor salary scale with effect from 1 January 2021 was proposed. In addition, in accordance with General Assembly resolution 70/244 of 23 December 2015 (sect. III, para. 9 (a) and (b)), the adjustment to the salary scale should also be applied to the pay protection points for staff whose salaries were higher than those at the maximum step of their grade upon conversion to the unified salary scale. The proposed salary scale and pay protection points are set out in annex IV to the present report.

52. The annual system-wide financial implications resulting from an increase in the base/floor salary were estimated as follows:

(United States dollars)

(a) For duty stations with zero or low post adjustment where net salaries would otherwise fall below the level of the new base/floor	0
(b) In respect of the scale of separation payments	858 000
Total annual financial implications	**858 000**

Discussion in the Commission

53. The Human Resources Network took note of the proposal. The representatives of the staff federations, noting the increase in the comparator civil service base salaries, supported the increase in the base/floor salary scale.

54. The Commission noted that an increase in the base/floor salary scale of 1.90 per cent as from 1 January 2021 would be implemented through the standard no-loss/ no-gain procedure, i.e. by increasing the base/floor salary scale and commensurately decreasing post adjustment multipliers. The Commission also took note of the

proposed adjustment of the pay protection points, in accordance with resolution 70/244. Finally, the Commission recalled that the base scale adjustment procedure, while generally cost neutral in terms of net remuneration, would have implications in respect of separation payments, as indicated in the table above.

Decision of the Commission

55. The Commission recommends to the General Assembly for approval, with effect from 1 January 2021, the revised unified base/floor salary scale, as well as the updated pay protection points for the Professional and higher categories, as set out in annex IV to the present report, reflecting a 1.90 per cent adjustment, to be implemented by increasing the base salary and commensurately decreasing post adjustment multiplier points, resulting in no loss or gain in net take-home pay.

B. Evolution of the United Nations/United States net remuneration margin

56. Under a standing mandate from the General Assembly (resolution 44/198, sect. I.C, para. 4), 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, D.C. For that purpose, the Commission tracks, on an annual basis, changes occurring in the remuneration levels of both civil services. In addition, in its resolution 71/264, the Assembly requested the Commission to include information on the development of the margin over time in an annex to its annual reports.

57. As from 1 January 2020, the comparator civil service implemented a 3.52 per cent increase in the General Schedule in the Washington, D.C., locality, consisting of a 2.6 per cent increase in base salaries and an increase in the locality pay from 29.32 to 30.48 per cent. Other developments relevant to the comparison were:

(a) Revisions to the federal tax brackets and the standard deduction amounts, as well as to the standard deduction amounts for the State of Virginia, which resulted in a slight reduction in overall income taxes in the Washington, D.C., metropolitan area;

(b) Application of the procedure, approved by the General Assembly in 2015, enabling the Commission to manage the margin more actively, whereby, if the margin trigger levels of 113 or 117 are breached, appropriate action should be taken by the Commission through the operation of the post adjustment system (see resolution 70/244, sect. II.B). Such action was required in February 2020, resulting in the revision of the post adjustment multiplier for New York from 65.5 to 70.3 in order to prevent the margin level from falling below the 113 trigger level. Consequently, a post adjustment multiplier of 65.5 for January and a multiplier of 70.3 for February to December 2020 were used for the calculation of the margin.

58. On the basis of the above, the Commission was informed that the estimated net remuneration margin for 2020 amounted to 113.0. The details of the comparison and information on the development of the margin over time are shown in annex V to the present report.

Discussion in the Commission

59. The representatives of the Human Resources Network and the staff federations took note of the findings of the latest margin comparison.

60. The Commission noted that the updated margin had been estimated on the basis of the latest cost-of-living differential between New York and Washington, D.C., and statistics available at the time of consideration. It was noted that, should further data updates become available, a revised margin estimate would be presented by the Chair to the General Assembly during the introduction of the Commission's annual report.

Decisions of the Commission

61. The Commission, noting that its Chair would provide an updated margin estimate to the General Assembly, as might be required based on the availability of the most recent staff statistics, decided:

(a) 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, D.C., was estimated at 113.0 for the calendar year 2020;

(b) To continue to monitor the margin level so that corrective action could be taken as necessary through the operation of the post adjustment system should the trigger levels of 113 or 117 be breached in 2021.

C. Identification of the highest-paid national civil service (Noblemaire): reference check with other international organizations

62. Studies to identify the comparator of the common system, referred to as Noblemaire studies, have always been focused – and continue to be focused – on national civil services and on identifying the highest-paid of those services. In 1992, however, in view of the growth of international and regional civil services that also competed with the United Nations common system, the Commission, at the request of the Administrative Committee on Coordination (now the United Nations System Chief Executives Board for Coordination (CEB)), considered remuneration data from other major international organizations outside the common system for reference purposes. In section II.C of its resolution 47/216, the General Assembly, noting that those comparisons had indicated that the remuneration levels at those organizations were higher than those of the common system, invited the Commission to study all aspects of the application of the Noblemaire principle with a view to ensuring the competitiveness of the common system. In 1995, the Commission, having reviewed the application of the Noblemaire principle, concluded that it would be appropriate to use the Organization for Economic Cooperation and Development (OECD) and the World Bank as reference indicators for the competitiveness of common system salaries. The Commission also agreed to reaffirm the long-standing practice of comparisons with the best-paid national civil service under the application of the Noblemaire principle (A/50/30, para. 197). That approach was later reconfirmed in 2004, when the Commission decided to report to the Assembly that, in applying the Noblemaire principle, its current practice of using the highest-paid national civil service, combined with a reference check with international organizations, was sound (A/59/30 (Vol. I), para. 273). The Assembly took note of that decision in section II.A of its resolution 59/268. Both OECD and the Bank were used in such reference checks conducted in 1995 and 2006. Given that additional information on those organizations would complement the Noblemaire studies undertaken by the Commission, reference checks with them would usually be presented under the general heading of the Noblemaire study.

63. The Commission completed the most recent Noblemaire study in 2018, in accordance with the established procedure, and concluded that the existing comparator, the United States federal civil service, should be retained. Insofar as the

reference data were concerned, however, the Commission decided to defer action to a later date in order to benefit from an upcoming salary benchmarking study in which the common system had been invited to participate along with several other international organizations, including OECD and the World Bank. When the report of the benchmarking study was released in mid-December 2019, however, it became evident that its scope and coverage in terms of jobs and compensation elements were too limited for a reference check. In addition, the Bank had not participated in that study. Thus, the data provided by the study proved to be insufficient for the exercise at hand.

64. Against that backdrop, the Commission secretariat proceeded to collect the compensation reference data directly from OECD and the World Bank. The data thus received were then processed and analysed on the basis of the grade equivalencies and other parameters that had been established and agreed upon for the previous reference studies. The remuneration comparisons found that OECD was ahead of the common system by 28.2 per cent and the Bank by 36.6 per cent.

Discussion in the Commission

65. The Human Resources Network took note of the findings of the analysis, acknowledging that both OECD and the World Bank were operating in and recruiting from similar labour markets as the United Nations. It was stated that, while cash remuneration was only a part of the total compensation package, it was nevertheless the most visible and significant. It was therefore important to monitor the overall attractiveness of the compensation system offered by the common system and to actively discuss how to sustain and improve the overall employer value proposition.

66. The representatives of staff federations also noted that the levels of cash remuneration of both OECD and the World Bank were significantly higher than that of the common system. FICSA considered it important to remain aware of the level of compensation offered by similar international organizations with a view to keeping an eye to the overall attractiveness of the common system. FICSA recalled that, for comparison purposes, both OECD and the Bank had been invited to the first meeting of the working group on operational rules to provide information on their compensation systems. CCISUA believed that the findings, in combination with the risks identified in the 2019 global staff survey on conditions of service, related in particular to compensation and engagement, needed to be addressed in order to keep the common system attractive for employees. CCISUA also encouraged colleagues who were faced with their contracts expiring, their contracts being replaced by precarious contracts or being downsized to look closely at job openings at OECD and the Bank. UNISERV, concurring with the other federations, stated that the reported gaps in compensation should be addressed to keep the common system attractive for employees and not to become undercompetitive.

67. The Commission took note of the reference data provided. Some members, while agreeing that the data analysis had been performed in accordance with the established modalities, questioned the validity of making comparisons against OCED and the World Bank, because those organizations did not appear comparable with the common system. In their view, OECD was only a regional organization, not a global one such as the common system organizations, and the Bank was financially focused and its mandate was not as broad as that of the common system organizations. In that regard, it was pointed out, however, that the profiles of staff working in those organizations shared similarities in terms of expertise and backgrounds. In particular, OECD staff were recruited from among nationals of more than 30 member countries in diverse occupations, including economics, education, employment, labour, social affairs, environment, finance, technology, statistics, tax policy, trade, agriculture and energy. Regarding the Bank, its banking and financial focus notwithstanding, only a

portion of its jobs (some 20 per cent) required expertise in finance. Other occupations were comparable with those in the common system, such as accounting, administration and budget, economics, public affairs and information, as well as a wide variety of technical specialties. As a result, the Commission had agreed to the inclusion of both organizations when the collection of reference data from international organizations had been initially discussed in 1994. Furthermore, both OECD and the Bank, while distinctly different from the common system, could still provide useful context in terms of the labour market in which the common system had to compete for staff. Although the reference data did not have an impact on the results of Noblemaire studies, which were focused exclusively on national civil services, it was generally not uncommon to review information of a supplemental or peripheral nature as background for the consideration of other similar subjects. For example, general conditions of employment at the locality, which described the overall labour market situation and prevailing practices but did not necessarily apply to all surveyed employers and had no immediate impact on survey results, were provided for reference purposes in General Service salary survey reports.

68. While the gaps in remuneration revealed by the reference data were acknowledged, a question was raised as to whether common system organizations faced issues with recruiting and retaining staff owing to compensation differences. In response, the secretariat observed that, anecdotally, staff movements both to and from those two organizations and the common system were known to occur. The secretariat periodically conducted global studies and surveys relating to recruitment and retention difficulties, the most recent of which had not found that such difficulties were either acute or widespread, although they did exist for certain jobs and occupations.

69. Differing views were expressed regarding the benefits of a reference check, given that the study results did not have a direct impact on the Commission's decisions relating to common system compensation. Several participants recognized, however, that the collection of information on the conditions of employment from both organizations had been a useful exercise that had provided valuable insight into the overall issue of the common system's competitiveness. It was also recalled that, when discussing the application of the Noblemaire principle in 2004, the Commission had confirmed to the General Assembly that, in applying the principle, its current practice of using the highest-paid national civil service, combined with a reference check with international organizations, was sound (A/59/30 (Vol. I), para. 273). The Assembly had taken note of that decision in section II.A of its resolution 59/268.

70. The Commission recalled that the reference data about international organizations were usually reported to the General Assembly as a supplement to the Noblemaire study. Under the current exercise, however, a gap of two years had occurred between the Noblemaire study per se and the current comparison, for the reason outlined above. In that context, the Commission considered it important to draw the Assembly's attention to that circumstance so as to avoid any confusion or misunderstanding.

71. Members agreed that the current reference data, useful as they might be, should be viewed as indicative, absent a full total compensation comparison. In addition, some members pointed out that, in assessing the data, additional factors and qualitative elements, such as merit/seniority considerations, career span and security of employment, should be borne in mind. Those factors, however, were not within the scope of the current study.

Decisions of the Commission

72. The Commission decided to report to the General Assembly that:

(a) According to the reference data from the World Bank and OECD, the remuneration levels of those organizations were, respectively, 36.6 and 28.2 per cent ahead of that of the United Nations common system;

(b) The reference data should be viewed as supplementary to the Noblemaire study, which is aimed at the identification of the highest-paid national civil service.

D. Post adjustment issues: report of the working group on operational rules and revised provisional agenda for the forty-second session of the Advisory Committee on Post Adjustment Questions

73. 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 working group on operational rules at its second meeting. The report included recommendations of the working group regarding a number of modifications to the operational rules regulating the determination of the post adjustment multiplier and thus of remuneration levels for staff in the Professional and higher categories. The Commission also considered a revised agenda for the forty-second session of the Advisory Committee on Post Adjustment Questions.

74. The working group was composed of Commission members and representatives of administrations and staff federations of United Nations common system organizations. The goal of the working group was to propose modifications to the operational rules in order to achieve an optimal balance between competing desirable compensation goals, including accuracy (in the context of adherence to the bedrock principle of purchasing power parity of net remuneration), transparency, simplicity, stability of net remuneration and predictability of its periodic adjustment. The working group reviewed the current system of operational rules, in response to the request of the General Assembly, in its resolution 72/255, for the Commission:

(a) To continue its efforts to improve the post adjustment system in order to minimize any gap between the pay indices and the post adjustment indices and, in this context, to consider the feasibility of more frequent reviews of post adjustment classifications of duty stations;

(b) To review the gap closure measure in the post adjustment system during its next round of cost-of-living surveys.

75. In responding to the request of the General Assembly, the working group focused on the modification of operational rules considered to be the most consequential, namely, those relating to the implementation of the results of surveys, specifically, the gap closure measure, including the calculation of the associated personal transitional allowance, applicable to both categories of duty stations; and rules for updating survey results taking into account inflationary factors and exchange-rate fluctuations, the so-called post adjustment classification reviews, which were considered separately for group I and group II duty stations. The targeted rules were considered to be the most efficacious in minimizing the gap between pay indices and post adjustment indices, while ensuring other desirable compensation goals.

76. The recommendations submitted by the working group to the Commission were considered to be a significant improvement on the current system of operational rules. For instance, the proposed modifications did not inhibit the transition to lower levels of staff remuneration, when warranted by the evolution of the cost of living at a duty

station, but the transition would become more gradual over time. In other words, the modifications include protection measures that would provide for greater stability of net remuneration and greater predictability of its periodic adjustments. While these measures might lead to a widening of the gap in the short term, the recommendations also provided for mechanisms for minimizing such a gap through the conduct of out-of-cycle cost-of-living surveys, which would, invariably, prevent the gap from growing significantly in the long term.

77. With regard to the gap closure measure rule, the working group found that the current formulation was more consistent with the request of the General Assembly to control the gap between the post adjustment index and the pay index, as it was based on a lower augmentation rate for negative survey results and a smoother transition to lower levels of remuneration, compared with the previous formulation, which was based on a higher augmentation but a faster transition to lower levels of remuneration. It also offered better protection for the salaries of existing staff, compared with the previous formulation, even after the personal transitional allowance was phased out. The working group therefore decided not to recommend any change to the current formulation of the gap closure measure rule. However, it recommended a change in the current approach to the periodic revision of the personal transitional allowance, which entails applying a decrease factor to the pay index of existing staff and then applying the corresponding personal transitional allowance accordingly. Under the new approach, referred to as the consistent personal transitional allowance approach, the decrease factor would instead be applied to the net take-home pay of existing staff, and the personal transitional allowance required to keep net take-home pay stable within revision periods calculated accordingly. The personal transitional allowance would be phased out when, at a revision point in time, the net take-home pay for existing staff would be aligned with that for all staff at the duty station. This approach ensured higher levels of predictability and stability of the net take-home pay of existing staff.

78. The working group also decided to recommend to the Commission a modification to the four-month review rule for group II duty stations, incorporating a cap and delay mechanism into the current functioning of the rule. Accordingly, at any four-month review resulting in a reduction in the post adjustment multiplier, this decrease would be capped at a maximum of minus 3 post adjustment multiplier points, but if another decrease is warranted at the following four-month review, this would be fully implemented, unless it was of minus 10 post adjustment multiplier points or more, in which case the 10-point rule would be invoked.

79. The working group also recommended a modification to the 10-point rule for group II duty stations that which would represent a significant change in the rationale for and operation of the rule. In its current formulation, the 10-point rule provides that, if a four-month review would result in a decrease in the post adjustment multiplier of 10 points or more due to an abrupt and significant devaluation of the local currency, the post adjustment multiplier would be frozen, a new out-of-cycle place-to-place survey conducted and the results implemented within four months. Under the proposed change, gradual but steady devaluations of the local currency leading to a cumulative decrease of minus 10 post adjustment multiplier points or more over the course of one year, that is, through three consecutive four-month reviews, would trigger a freeze of the post adjustment multiplier and the conduct of a new survey. The simulations conducted by the secretariat indicated that the proposed modification would apply to a very limited number of cases, thus calling into question the need for it and its efficacy, especially in the light of the need to keep the system of operational rules as simple as possible.

80. Finally, the working group also recommended to the Commission a revision of the 12-month review rule for group I duty stations, which would allow for the

possibility of reducing the level of remuneration, if warranted, by triggering an out-of-cycle cost-of-living survey upon the attainment of two thresholds, the first being duty station-specific, defined by adding minus 3 per cent to the gap existing at the beginning of the survey round, and the second set at minus 5 per cent, regardless of any gap existing at the beginning of the round. If the gap reached any of the two thresholds for two consecutive reviews of post adjustment classification, a price survey would be conducted within six months, and the results of that survey incorporated into the post adjustment index, unless it occurred less than 18 months prior to the beginning of the first survey in the next round.

Discussion in the Commission

81. Before entering into discussion of the report of the working group, the Commission was provided with some background information by its secretariat on the role of operational rules in the post adjustment system. The rules transform the post adjustment index, which ensures adherence to the bedrock principle of purchasing power parity of net remuneration, into the post adjustment multiplier, which determines the level of net remuneration, through judicious compensation policy choices. The mandate of the working group was to find a balanced and reasonable trade-off among desirable, but often competing, compensation goals. Operational rules that guaranteed a higher level of stability and predictability in remuneration could, under certain circumstances, create a gap between the pay index and the post adjustment index. If such a gap were allowed to grow over time for a duty station, there would be a risk of more painful, downward adjustments to the level of pay following the implementation of the results of cost-of-living surveys, as had happened with the 2016 cost-of-living survey in Geneva. For that reason, the General Assembly, in its resolution 72/255, had requested the Commission to continue its efforts to improve the post adjustment system in order to minimize any such gap, as this would facilitate adherence to the core principle of purchasing power parity of net remuneration, which allowed both upward and downward adjustments to net remuneration, in accordance with the evolution of the cost of living at duty stations relative to the base of the system, New York.

82. One Commission member pointed out that adherence to the principle of purchasing power parity was an essential aspect of the whole system. Without it, the Noblemaire principle would not be properly applied to all duty stations, thereby violating Article 101 of the Charter of the United Nations. The modification of operational rules represented the implementation of a commitment to ensure stability and predictability, as opposed to the automatic application of survey results reflecting the cost of living at a duty station relative to that in New York. He stressed that the modification of operational rules should therefore be conducted carefully, allowing for analysis and comparison of different options and reaching the necessary consensus among all stakeholders. A member of the Commission pointed out that the current system's near-exclusive focus on stability and salary protection led to significant salary reductions when cost-of-living surveys were implemented. The request by the General Assembly to the Commission to improve the operational rules of the post adjustment system to minimize the gap was intended as a way of avoiding such sudden salary reductions. He suggested that the Commission, in examining the recommendations of the working group, should keep in mind the need to strike a balance between competing compensation priorities, including the request by the General Assembly, so that the Commission could adequately answer questions from the Assembly regarding the extent to which new operational rules met its concerns.

83. Several members of the Commission expressed the view that, in the search for a balance among desirable and often competing compensation goals, in the rather volatile operational environment of the post adjustment system, a high priority should

be assigned to stability in the evolution of salaries and the predictability of adjustments thereto, adding that the paramount goal of the system of operational rules was to ensure fairness, by setting levels of remuneration closer to those warranted by the principle of purchasing power parity, to be applied to all duty stations, even if attaining that goal required the conduct of more surveys. Changes in the levels of remuneration had to be based on accurate data, approximations had to be avoided and staff should receive adequate information explaining changes to their salaries.

84. A member of the Commission stated that, in considering various proposals for the modification of the operational rules, finding a solution that would prevent gaps from growing significantly was a priority, as that would prevent cases like that in Geneva, where the gap between pay index and post adjustment index had grown significantly between the 2010 and 2016 rounds of surveys, from happening again elsewhere and, in any case, would address the concerns of the General Assembly. Other members of the Commission stressed that the post adjustment system should be fair to all stakeholders, including staff and organizations, adding that the predictability of salary adjustments was equally important to both. More specifically, the desirable compensation goals of stability and predictability had to apply, not only to downward salary adjustments, but to upward adjustments as well, as organizations needed to have greater control over their budgets and costs.

85. The representatives of the Human Resources Network welcomed the constructive discussions in the working group and considered that the set of recommendations constituted an adequate package. They pointed out that the current operation of the post adjustment system had created tensions between staff and management in the recent past, and so it was important for the modifications to the operational rules to be made in a transparent manner, acceptable to all the stakeholders. Furthermore, such collaboration would help ensure staff participation in the future round of surveys and avoid further litigation in the future from staff in response to the better alignment of pay index and post adjustment index, which in the case in Geneva had meant a decrease in the post adjustment multiplier. Regarding the next round of surveys, they noted that the ongoing COVID-19 pandemic had created challenges in the economies of host countries and that careful statistical and policy choices needed to be made in order to avoid significant unexpected outcomes from the surveys. In their view, the matter should be discussed by the Advisory Committee on Post Adjustment Questions at its following session from a technical perspective. They requested that the secretariat review its current approach to developing the methodology in the light of the current situation and present an explicit plan for stakeholder engagement going forward, including alternatives in the event that an in-person Committee meeting was not possible.

86. The representatives of FICSA pledged to maintain a constructive and healthy dialogue with all stakeholders participating in the review of the post adjustment system. They stated that it was time for all stakeholders to work together to overcome the impact of the ongoing pandemic and ensure that the United Nations compensation system methodologies were fit for purpose; and that transparency, simplicity, stability and the predictability of the post adjustment system remained the guiding principles governing the review of the operational rules. In the light of the special circumstances being experienced since the outbreak of the pandemic, they suggested that all stakeholders should reflect on the lessons learned and ensure that all the concerns raised by staff and their respective organizations were addressed. The representatives of CCISUA stated that it was important for the technical experts of the working group to validate and verify the results of the analyses conducted by the ICSC secretariat, to see whether the underlying principles and consensus in the report of the working group were still valid. The representatives of UNISERV stated that the working group focused on specified modifications to the current system of operational rules, with a view to assessing their efficacy with respect to the compensation policy objectives

established by the Commission, while addressing General Assembly resolution 72/255. They expressed concern about cumulative drops in the post adjustment multipliers resulting from three, or even only two, consecutive negative four-month reviews, when none of the reviews on its own would trigger the 10-point rule but when taken together, they became substantial. In this regard, they suggested that the modification to the 10-point rule still needed further consideration, with a view to triggering a survey following two or three consecutive four-month reviews resulting in decreases amounting to 10 post adjustment multiplier points or more.

87. A representative of the organizations of the United Nations common system pointed out that the chances of triggering out-of-cycle price surveys were indeed low in group I duty stations, as in most cases the gap was either low or volatile, widening and shrinking over time. The existence of a large and persistent gap was indeed a rare event, as it would primarily be a result of reductions in the cost of living in a duty station, which was unusual. Therefore, the provisions of the recommended modification to require two consecutive significant breaches of the thresholds to trigger a survey were correct, as in most normal cases the natural evolution of inflation at the duty station would naturally reduce gaps and cases of breaches of the thresholds were limited and temporary. He reiterated the consensus in the working group regarding the validity of using a price survey as a tool for controlling the gap, as the updated post adjustment index was only an approximation, which had increasingly lower reliability the farther from the date of the last cost-of-living survey that it was applied. The representative of the United Nations Secretariat clarified that the proposed modification to the four-month review was meant to eliminate the rare anomaly of successive significant decreases in post adjustment due to four-month reviews based on fluctuations of currency exchange rates only that would not trigger the 10-point rule or be confirmed by a place-to-place survey and rebound to prior, higher levels after such a survey. While these were indeed rare occurrences, there was value in addressing them.

88. To address the concerns expressed by some stakeholders, a technical task force was appointed by the Chair to review some of the proposals of the working group, specifically the 12-month review, the four-month review, and 10-point review rules, and to make recommendations to the Commission at its current session. After reviewing the results of the ICSC secretariat's analyses and simulations of proposals emanating from discussions at the second meeting of the working group, the task force concluded that some fine-tuning of the proposals was necessary and recommended some modifications to the rules designed to improve their efficacy with respect to achieving the goals of the working group. After intense deliberations, the task force made the following recommendations to the Commission:

(a) For the 12-month review rule, the benchmark for tracking the evolution of the gap was changed from the gap existing at the beginning of the survey round to the lowest gap attained since the beginning of the survey round;

(b) The proposed modification of the 10-point rule, designed to trigger the rule after two or three successive four-month reviews leading to a cumulative decrease in the post adjustment multiplier of 10 points or more, was found to be incompatible with the modification of the four-month reviews previously recommended by the working group. The task force recommended two approaches to resolving that problem. One was to modify the 10-point rule in such a way as to make it compatible with the original formulation of the four-month review. The other was to amend the four-month review in such as a way as to change the trigger for the 10-point rule at the second four-month review from minus 10 to minus 7 post adjustment multiplier points (after an initial decrease capped at minus 3 at the first four-month review). It was understood that, even with that modification of the four-month review, cases of three successive four-month reviews leading to a cumulative decrease in post adjustment multiplier of 10 points or more would also be addressed.

89. Since the modifications were proposed during the session, the secretariat was requested to conduct further analyses and simulations of the proposals and submit the results for review by stakeholders, before submitting final recommendations to the Commission.

90. In response to various questions raised by Commission members, the secretariat confirmed that the proposed modifications to the operational rules did not preclude the implementation of actual results of future surveys. It was clarified that the proposed amendment to the 12-month review rule had the potential for reducing the level of the post adjustment multiplier, upon implementation of the results of a survey, as a way of reducing a growing gap. Furthermore, the choice of the lowest level of the gap attained since the implementation of survey results during the course of a new survey round, in accordance with the amendment to the formulation of the proposed 12-month review rule, increased the likelihood of triggering a new price survey more than using the gap existing at the beginning of the survey round, as originally proposed.

91. Several members of the Commission expressed their views regarding the proposed modifications to the operational rules. They agreed that the modified 12-month review rule would resolve growing gaps such as that which had characterized the situation in Geneva during the 2010 round of surveys. They also agreed that the proposals regarding the four-month review and 10-point rules were designed to provide more stability to the evolution of salaries, albeit at the expense of temporary increases in gaps, which were then resolved when surveys were ultimately triggered. They suggested that the secretariat embark on additional tests and simulations to clarify the applicability and consequences of the modified rules, but reiterated that, no matter which modifications were made or simulated, none would prevent the results of future surveys from leading to reductions in the levels of remuneration if these were warranted, adding that any survey conducted in the future, for instance, the 2021 round of surveys, would be benchmarked against the newly surveyed level of cost of living in New York, the base of the post adjustment system. The Chair indicated that the decisions of the Commission could be revisited if the results of proposed tests and simulations showed unexpected results or unintended outcomes. In conclusion, the Commission requested that the secretariat continue active preparations for the next round of surveys, scheduled to be launched in 2021, in collaboration with representatives of organizations and staff federations.

Decisions of the Commission

92. The Commission decided to:

(a) Approve the recommendations of the working group on operational rules relating to:

(i) Maintaining the current formulation of the gap closure measure;

(ii) Changing the calculation of the personal transitional allowance according to the "consistent personal transitional allowance" approach, as described in paragraph 77 of the present report;

(b) Pending the conduct of further tests and simulations by the secretariat, approve, in principle, the modifications to operational rules as follows:

Group I duty stations

12-month review rule: use 3 per cent added to zero, or the lowest level of the gap attained since the introduction of the results of the latest cost-of-living survey, to define a duty station-specific threshold against which the gap between the post adjustment index and the pay index is assessed. Should the gap amount to either the duty station-specific threshold or 5 per cent or more on two consecutive occasions, a price survey would be triggered at the duty station, to be conducted within 6 months. No price survey will be conducted if triggered 18 months or less before the first survey at the duty station under the next round of surveys;

Group II duty stations

(i) Four-month review rule: cap to minus 3 post adjustment multiplier points the decrease resulting from a first four-month review, while allowing for a full decrease of the next four-month review, unless this would be minus 7 post adjustment multiplier points or more, in which case the 10-point rule would be triggered;

(ii) 10-point rule: cap the total decrease within a year to less than minus 10 post adjustment multiplier points. If a potential decrease of minus 10 or more post adjustment multiplier points would be due within a year, that is, from two or three consecutive negative reviews, the post adjustment multiplier should be frozen and a new out-of-cycle place-to-place survey conducted within four months, and this would take precedence over the provisions of the four-month review rule. Except for reasons of force majeure, if a place-to-place survey is not conducted within four months, at each of the next four-month reviews, the post adjustment multiplier is reduced by 10 points, unless this would bring the post adjustment multiplier to less than the post adjustment index minus 100, in which case the post adjustment multiplier should become equal to the post adjustment index minus 100.

(c) Approve the revised provisional agenda for the forty-second session of the Committee, as shown in annex VI, and request the secretariat to continue active preparations for the next round of surveys, scheduled to be launched in 2021, in collaboration with representatives of organizations and staff federations.

E. Children’s and secondary dependants’ allowances: review of methodology and level

93. Under the existing methodology, the children’s allowance is reviewed biannually and is calculated as a global flat-rate amount in United States dollar terms, reflecting the levels of child-related tax abatements and social legislation payments at the eight major headquarters duty stations at a reference income corresponding to the P-4/VI level (including the spouse allowance). The values are converted to United States dollars using the average exchange rates over the 12 months preceding the review, aggregated arithmetically and weighted by the number of staff members at those duty stations. On this basis, the proposed level of the children’s allowance amounted to $4,374 per annum. The secondary dependant’s allowance, set at 35 per cent of the children’s allowance, amounted to $1,531. At hard-currency locations, the global amount is converted to local currency using the official United Nations rate of exchange as at the date of promulgation. The local currency amounts at those locations remain unchanged until the next review.

94. In 2018, at the review of the level of the dependency allowances, the Commission decided that some of the aspects of the methodology to establish the allowances should be revisited, including the weighting technique to calculate the overall average amount of the children’s allowance (see A/73/30, para. 97), as well as the application of the general trend in the evolution of child benefits (ibid., para. 101).

In this context, in addition to the proposed levels of the dependency allowances calculated on the basis of the current methodology, the Commission was also presented with the following proposals in regard to the methodology:

(a) An alternative method of calculating the children's allowance, whereby the averaging technique used was a weighted geometric mean;

(b) The application of the general trend.

95. The financial implications arising from the proposed adjustment of the allowances under the current methodology were estimated at $55.8 million per annum system-wide. The financial implications arising from the proposed adjustment of the allowances under the alternative methodology were estimated at $6.7 million per annum.

Discussion in the Commission

96. Taking note of the document, the Human Resources Network stated that both options, the current methodology and the methodology using the geometric mean, had merit and warranted further consideration.

97. The representative of CCISUA stressed the need for an update of the children's and secondary dependant's allowances, given that the purchasing power equivalent of the amounts established in 2011 had changed significantly. CCISUA was of the view that the conversion of the dependency allowance to the local currency needed to be reviewed more frequently than every two years in order to accommodate fluctuations in currency exchange rates. Furthermore, the representative stated that any changes in local legislation, such as tax abatements and social benefits payments, needed to be reflected as at the time of the local effective date. CCISUA was of the view that retaining the current method, which used the arithmetic mean, weighted by the population at the duty station, remained relevant and should be retained and that any deviation from this approach would cause a disproportionate negative effect on recipients.

98. The representative of FICSA noted with concern that there had been no adjustment since 2011, despite the proposals in 2012 and 2018, and stressed that this issue could no longer be ignored. She supported the retention of the current methodology.

99. The representative of UNISERV stated that an attractive children's dependency allowance was one of the draws of the organizations as an employer of choice and strongly believed that an update of the children's dependency allowance was overdue. He recalled that the children's allowance had not been adjusted for several years, which explained the significant increase proposed under the current methodology. The representative affirmed the support of UNISERV for retaining the current methodology and cautioned against changing the methodology in an attempt to lower the figure to gain support by the General Assembly.

100. The representative of the United Nations asked whether there were examples of other instances of the use of the geometric mean in averaging the data from headquarters locations or other representative samples of duty stations for the purpose of calculating the adjustments to other allowances. The secretariat of the Commission clarified that the geometric mean was used in the calculation of the in-area excluding housing component of the post adjustment index. Also, in this regard, it was explained that neither aggregation method was more correct than the other, rather one might be more appropriate in a specific context. It was further explained that the geometric mean was less sensitive to outliers and could prove useful when applied to smaller datasets.

101. The Commission recalled its decision to revisit the methodology of the children's allowance before its level was reviewed. In this context, one member of the Commission questioned the purpose of the allowance and its methodology, which was based on a system of taxation to which professional staff were not subject. Several members saw merit in the use of a geometric mean, taking into account that it addressed values that could be considered outliers in a small sample. They also highlighted the fact that it was a technical approach that could be reproduced in the future. However, this weighting technique did not accept zero values and, accordingly, could give rise to problems if the child benefit were to be phased out or discontinued in any of the reference duty stations – a possibility which could not be ruled out in the future. At the same time, most members were of the view that, despite some challenges, the current methodology had been applied for many years and had worked well in that it provided, along with review of the trend in the evolution of child benefits at various locations, a reasonable basis for the Commission's deliberations.

102. The Commission noted that the children's allowance had not been updated in almost 10 years and agreed that some action to reflect the positive change should be taken. It was pointed out that the proposed increase of the children's allowance was significant and amounted to 49 per cent as compared with the level established in 2011. This was the inevitable result of the combination of cumulative proposed adjustments which had become due over that period and the fact that no action had been taken on these proposals.

103. The Commission recognized that, at the same time, given the impact of the pandemic on the current economic conditions, proposing a large increase would not be appropriate at the present time. It considered, therefore, that judgment had to be applied in developing its recommendation to the General Assembly. In this regard, in reviewing the general trend in the evolution of child benefits, it noted that, since the previous review, the average change in child-related benefits in local currency amounted to almost 10 per cent. Accordingly, it agreed that, under the present exceptional circumstances and taking account of that trend, a less than full increase of the children's allowance amounting to 10 per cent could be considered.

104. The staff federations and most members of the Commission recognized that the proposal was an ad hoc proposal which could be supported as a one-off pragmatic approach to updating the current level of the children's allowance in the present conditions and given the non-increase for 10 years, while maintaining the current methodology. It was noted that the level and the methodology for the allowance might have to be reviewed again in two years to ensure that it adequately reflected the child benefits provided at representative duty stations.

105. The Commission noted that an increase of 10 per cent would produce a children's allowance of $3,222 per annum and a secondary dependant's allowance of $1,128. The financial implications were estimated at a total of $11.3 million.

Decisions of the Commission

106. The Commission decided to maintain the current methodology for calculating the children's allowance for the time being.

107. The Commission also decided to recommend to the General Assembly that, as of 1 January 2021:

(a) The children's allowance be set at $3,222 per annum and the disabled child allowance be set at $6,444 per annum;

(b) The secondary dependant's allowance be set at $1,128 per annum;

(c) At hard-currency duty stations, the United States dollar amount of the allowances, as established in subparagraphs (a) and (b) above, be converted to the local currency using the official United Nations exchange rate as of the date of promulgation and remain unchanged until the next biennial review, regardless if there is an update to the level;

(d) The dependency allowances be reduced by the amount of any direct payments received by staff from a government in respect of dependants.

F. Review of the implementation of the recruitment inventive

108. In paragraph 53 of its resolution 70/244, section III, the General Assembly approved an incentive payment for the recruitment of experts in highly specialized fields in instances in which the Organization was unable to attract suitably qualified staff. The amount of the incentive should not exceed 25 per cent of the net base salary for each year of the agreed contract. The Assembly also decided that the Commission should assess the scheme after a period of three years from the date of its implementation.

109. Information provided by the 23 common system organizations that responded to a questionnaire from the secretariat of the Commission showed that only one organization, UNDP, had made recruitment incentive payments, and only in one case.

Discussion in the Commission

110. The Human Resources Network noted that the United Nations common system to some degree lacked attractiveness in terms of its cash remuneration vis-à-vis other international organizations, which were often recruiting from similar labour markets. The general idea of the recruitment incentive was to provide a management tool to ensure that organizations could enhance their attractiveness in very specific situations and for highly sought-after professions. In its current format and with the related administrative requirements, the tool was however deemed to lack the necessary flexibility to be of significantly greater use. Nonetheless, the concept in general remained valid, and organizations strongly welcomed a recruitment incentive as a general human resources management tool.

111. The three staff federations agreed that there were insufficient data and stated that more experience in the application of the incentive by the organizations was required before a deeper analysis could be conducted. CCISUA was also of the view that the recruitment incentive should be used as an inter-agency tool in combination with efforts to strengthen passive recruitment processes. CCISUA also noted that recruitment processes were lengthy, lacked transparency and came with opportunity costs. UNISERV looked forward to seeing more information in two years' time to ascertain whether the incentive was being used more frequently and whether it had resolved the issues that it had been designed to address.

112. The Commission noted that some of the organizations had reported that they had not experienced recruitment problems requiring the use of the recruitment incentive, while others had indicated that they would resort to its use when the particular difficulties that it had been designed to address were encountered. Other organizations had reported that they had not turned to the incentive for budgetary reasons, the perceived inequity created between external and internal candidates (to whom the incentive did not apply) or the need for further flexibility in its use. Nevertheless, the organizations appreciated the strategic nature of the incentive.

113. The Commission noted that, while the recruitment incentive was by design intended for use in very particular circumstances, the limited experience and data from the organizations at the current stage precluded a more in-depth review.

Decisions of the Commission

114. The Commission decided to inform the General Assembly that it would conduct a further review of the recruitment incentive in two years' time, with a view to assessing its use.

Chapter V
Conditions of service in the field

A. Danger pay: review of level

115. Danger pay is a special allowance established for internationally and locally recruited staff who are required to work in locations where very dangerous conditions prevail. In the context of the comprehensive review of the United Nations common system compensation package, the Commission had decided on the review cycle of the levels of allowances under its purview, in accordance with the schedule outlined in annex X to its annual report for 2016 (A/71/30). The level of danger pay is to be reviewed every three years, as from 2017.

116. A list of locations for which the payment of danger pay has been approved is available on the website of the International Civil Service Commission.[6]

117. Danger pay was introduced effective 1 April 2012 for both internationally and locally recruited staff. It has historically been paid as a set amount for all internationally recruited staff and as a country-specific amount for locally recruited staff on the basis of applicable salary scales, which served as the basis for establishing danger pay amounts.

118. The current rate of the allowance is set at $1,600 per month for internationally recruited staff. A single amount was established when the Commission, in response to a request by the General Assembly in its resolution 49/223, decided to delink hazard pay[7] from the base/floor salary scale for internationally recruited staff, noting that hazard pay was a largely symbolic, while not insignificant, allowance. Since the allowance was delinked from the salary scale, the amount has been adjusted pragmatically, taking into consideration the same three factors as those applied under the hardship allowance, namely: (a) average movement of net base salary plus post adjustment at headquarters duty stations; (b) movement of the out-of-area index;[8] and (c) movement of the base/floor salary scale. In its most recent review of the danger pay level, in 2017, the Commission decided to maintain the amount of $1,600 per month for internationally recruited staff until the next review.

119. For locally recruited staff, the Commission had decided at its seventy-fourth session to increase the level of danger pay effective 1 January 2013 to 30 per cent of the net midpoint of the applicable General Service salary scales for 2012 of those duty stations qualifying for danger pay. The Commission also decided to delink danger pay effective 1 January 2013 from the applicable General Service salary scales. It was recalled that the nominal amounts of former hazard pay granted to locally recruited staff had not been static, but had been adjusted automatically whenever the salary scales were adjusted. Given that automaticity, which was declared undesirable by the General Assembly, the Commission decided to delink danger pay from the salary scales of locally recruited staff. In its most recent review of the danger pay level, in 2017, the Commission decided to set the level of danger pay for locally recruited staff at 30 per cent of the net midpoint of the applicable General Service salary scales that

---

[6] https://icsc.un.org/Home/DataDangerPay.

[7] Hazard pay was replaced by danger pay effective 1 April 2012.

[8] The out-of-area index reflects price movements and exchange rate fluctuations in a selected basket of 26 countries with the objective of providing an estimate of inflation in United States dollars for expenditures made by United Nations common system Professional staff outside the country of their duty station of assignment. It is estimated on the basis of a weighted average of the United States dollar-based inflation rates of the 26 countries. The same index is used in post adjustment index calculations for all duty stations, irrespective of location.

had been in effect in 2016. Once established, those amounts were then delinked from the salary scales.

120. The 2020 review of the danger pay level was conducted in line with the methodology for adjustment of the danger pay level approved by the Commission in 2017.

121. For internationally recruited staff, the Commission decided, during its previous reviews, to establish the danger pay amount for internationally recruited staff pragmatically, using as a reference the three factors applied for the hardship allowance, namely: (a) average movement of net base salary plus post adjustment at the eight headquarters duty stations of the United Nations system; (b) movement of the out-of-area index; and (c) movement of the base/floor salary scale.

122. Based on an analysis of all three adjustment factors for the three-year period from 2017 to 2019, the percentage increases in the amounts for each factor were as follows: (a) average movement of net base salary plus post adjustment at headquarters duty stations: 1.33 per cent; (b) movement of the out-of-area index: 5.15 per cent; and (c) movement of the base/floor salary scale: 2.82 per cent. The relationship between danger pay and the net midpoint of the base/floor salary scale in effect in 2020 is 23.55 per cent.

123. With regard to the above-mentioned three adjustment factors, it is pertinent to note that, in 2011, the Commission was of the view that no specific weighting of the three factors was prescribed, but rather that all three factors should be reviewed holistically and pragmatically in order to provide an indication of whether any adjustments were warranted. When it had previously reviewed the allowances under the mobility and hardship scheme under the former compensation package, the Commission considered movement of the net base salary, the most stable of the three adjustment factors, to be the point of departure. Following the same approach, an increase of 2.82 per cent was proposed, which would amount to $1,645 per month in danger pay for internationally recruited staff.

124. For locally recruited staff, the methodology for adjustment of the danger pay level, approved by the Commission in 2017, stipulates using as a reference the net midpoint of the applicable scales in effect in the year prior to the scheduled review and applying 30 per cent to calculate the country-specific amounts. Since 2016, the reference year for applicable General Services salary scales used to determine the current levels of danger pay for locally recruited staff, the scales in effect in 2019, the year prior to the scheduled review, had been revised in the majority of the countries in which danger pay was currently in effect. It was proposed that an adjustment to the level of danger pay for locally recruited staff be made by updating the reference year of the applicable General Service salary scales from those in effect in 2016 to those in effect in 2019 and applying 30 per cent to the midpoint of those salary scales.

Discussion in the Commission

125. The representative of the Human Resources Network of CEB stated that danger pay was considered by organizations as a critical component, given the implications for staff in environments where the United Nations was often asked to remain and deliver in challenging humanitarian contexts and crisis situations. Those situations could develop quickly and unexpectedly, and the Human Resources Network was grateful for the swift and pragmatic cooperation of ICSC with regard to danger pay in March 2020, the start of the COVID-19 pandemic. The Human Resources Network concurred with the recommendation contained in the document presented by the ICSC secretariat that the danger pay level be adjusted for both internationally and locally recruited staff.

126. FICSA acknowledged with appreciation the prompt action of the ICSC secretariat on that key issue in the context of the global pandemic. Noting that the most recent review of the danger pay level had been carried out in 2017, FICSA supported the level proposed for both internationally and locally recruited staff.

127. CCISUA stated that it was in full support of the increase in the danger pay level proposed for both internationally and locally recruited staff.

128. UNISERV fully supported the recommendation to set the level of danger pay for internationally recruited staff at $1,645 per month, as well as to update the amount for locally recruited staff by revising the reference year of the salary scales on which the calculations were based from 2016 to 2019. UNISERV agreed with the Human Resources Network and thanked ICSC for its rapid response with regard to establishing COVID-19 danger pay. UNISERV stated that it was imperative that the reviews be carried out on time, in 2023, in accordance with the schedule.

129. The Commission noted that the matter of danger pay was important, in particular in the context of the continuing health crisis. It recalled that danger pay recognized that staff members were serving at dangerous duty stations and acknowledged those who had risked their lives working under dangerous conditions.

130. With regard to internationally recruited staff, the Commission noted that the three adjustment factors previously used as a reference remained relevant. The Commission reiterated its decision to take an objective and pragmatic approach to reviewing the level of danger pay. In its previous reviews of allowances under the mobility and hardship scheme and danger pay, the Commission had considered movement of the net base salary, as the most stable of the three factors, to be the point of departure. Applying the same approach to the current review would result in an increase of 2.82 per cent, which would amount to $1,645 per month.

131. Noting that the danger pay level for internationally recruited staff had not been revised since 2012 and that the next review would be carried out in three years' time, the Commission considered that that was an opportune moment to adjust the level. It considered that the proposed increase from $1,600 to $1,645 per month was reasonable and the financial implications justifiable.

132. For locally recruited staff, the Commission recalled that the methodology established in 2017 called for updating the reference year of the applicable General Service salary scales to those in effect in the year prior to the scheduled review, in that case the year 2019. Where multiple General Service salary scales were issued effective in the reference year, the most recent ones were to be used. Once established, those amounts were then delinked from the salary scales.

133. Given that it was difficult to predict the places where danger pay may be applicable in the future, total requirements could be estimated only on the basis of data available from United Nations system CEB personnel statistics data. The size of a duty station in terms of the number of staff present had a significant impact on the costs, as did the period of eligibility for the allowance. The financial implications were estimated to be approximately $1.9 million system-wide with regard to the payment of danger pay at $1,645 for internationally recruited staff, and $4.6 million system-wide with regard to the payment of danger pay at 30 per cent of the net midpoint of the applicable General Service salary scales for 2019.

134. In accordance with the established schedule, the Commission would carry out periodic reviews of the level of danger pay for both categories of staff every three years and determine whether there was a need to adjust the level.

Decisions of the Commission

135. The Commission decided:

(a) To update the level of danger pay for internationally recruited staff to $1,645 per month with effect from 1 January 2021;

(b) To update the monthly level of danger pay for locally recruited staff with effect from 1 January 2021 by updating the reference year of the salary scales on which the calculations were based from 2016 to 2019, as well as by applying 30 per cent to the net midpoint of the most recent General Service salary scales in effect in 2019 divided by 12;

(c) To conduct the next review of the danger pay level in 2023, in accordance with the established schedule.

B. Security evacuation allowance: review of level

136. The security evacuation allowance was established in 2012 to assist in offsetting the direct added expenses of staff members and eligible family members who had been evacuated from their official duty stations. In accordance with the current review cycle, the level of the security evacuation allowance is to be reviewed every three years, as from 2017.

137. The daily amount of the security evacuation allowance was established by the Commission in 2012 at $200 per day in respect of the staff member, and $100 (50 per cent) in respect of each eligible family member, for up to 30 days. After 30 days, the amounts are reduced by 25 per cent, to $150 and $75, respectively, for a maximum period of six months, whereupon, usually, an evacuation would be lifted or the duty station designated as a non-family duty station. The Commission also stipulated that a duty station could be declared as a non-family duty station prior to the six-month mark following evacuation; specifically, at the three-month mark following the assessment of the situation, on the basis of a review by the Department of Safety and Security of the Secretariat and its advice to the Chair of the Commission. Furthermore, in the event that the evacuation continued and the duty station had not been designated as a non-family duty station, an extended monthly security evacuation allowance, in the same amount as that provided under the non-family service allowance payable at non-family duty stations, would be applicable. The Commission also approved a single lump sum of $500 for shipment, applicable at the time of evacuation.

138. Twelve duty stations – Accra, Addis Ababa, Amman, Cairo, Dakar, Dubai (United Arab Emirates), Johannesburg (South Africa), Kampala, Nairobi, Nicosia, Santo Domingo and Yaoundé – are designated by the field-based organizations as safe havens and have been used as such.

139. On the basis of the methodology used to calculate the allowance, the Commission secretariat reviewed the level by analysing the level of the post-60-day daily subsistence allowance rates for the 12 safe haven locations. As at January 2020, the average of those rates was $190. The secretariat noted that the average was close to the current security evacuation allowance rate of $200 and proposed that the Commission maintain the security evacuation allowance at its current level.

140. With regard to the extended monthly security evacuation allowance, it has been set at the same level as that provided under the non-family service allowance, which is payable at non-family duty stations when the evacuation continues beyond six months and when the duty station has not been designated as a non-family duty

station. The annual amounts of the non-family service allowance are $19,800 for staff with dependants and $7,500 for staff without dependants.

141. It was recalled that, at the most recent review of the level of the security evacuation allowance, in 2017, the Commission had decided to maintain the amount of the existing allowance at $200. At that time, the average of the post-60-day daily subsistence allowance rates applicable at the designated safe havens was $196. That amount was considered very close to the current security evacuation allowance rate of $200. In 2012, when the Commission had established the allowance, the average of the post-60-day daily subsistence rates applicable at the designated safe havens was $208, which was considered not to be significantly higher than the prevailing security evacuation allowance amount of $200.

Discussion in the Commission

142. The Human Resources Network reiterated the position that it had expressed in the past reviews since 2013: that the topic was not one of benefits and entitlements, but essentially of an administrative cost reimbursement mechanism in certain security situations.

143. The Commission recalled that it had considered the security evacuation allowance for the first time at its seventy-fourth session, in 2012. In accordance with article 11 (b) of the ICSC statute, the relevant rate of the security evacuation allowance is established by the Commission. Therefore, the security evacuation allowance, which had previously been operated by the organizations, has been formalized under the auspices of the Commission. In the context of the comprehensive review of the United Nations common system compensation package, the Commission had decided on the review cycle of the level of allowances under its purview, including, inter alia, the level of the security evacuation allowance.

144. CCISUA noted that the current amount of the security evacuation allowance had been set eight years earlier, in 2012, and could thus be considered for an increase. CCISUA inquired to whom that allowance applied. The secretariat clarified that, once evacuation from a duty station was officially declared by the Under-Secretary-General for Safety and Security, evacuation of internationally recruited staff and their eligible family members to an authorized destination followed, and an authorized evacuation from a duty station triggered payment of the security evacuation allowance.

145. UNISERV and FICSA, in a joint statement, supported the proposed review, indicating that the Commission should raise the level of the allowance and noting that that was particularly important in the current economically volatile global climate and given that the next review would only be carried out in 2023.

146. The Commission noted that the organizations had reported very few evacuations in 2017 and 2018. Several, including some with field staff, reported no evacuations during that period. It should be noted that some locations that were under security evacuation status had no physical presence of international staff (i.e., Libya), meaning that no security evacuation allowance was payable. In some instances, family restrictions were introduced in locations where there were no eligible dependants of internationally recruited staff present (i.e., Myanmar), meaning that no evacuation occurred. Few evacuations were reported, and the average days that affected staff that were on evacuation status were kept at reasonable levels, varying from one week to one month. The utilization rate of the $500 lump sum for shipment was therefore also very low.

147. With regard to the extended monthly security evacuation allowance, there were no reported instances in which it was applicable, owing to the carefully managed process for designating a duty station as a non-family duty station, which prevents protracted periods of evacuation status. A duty station is designated as a non-family duty station once there is sufficient clarity with regard to developments in the security situation, normally occurring within the prescribed six-month period.

148. The Commission considered whether the current level of the security evacuation allowance could be increased, given that it had been in effect since 2012. According to the established methodology, the level of the security evacuation allowance was set by reference to the average of the after-60-day daily subsistence allowance rates applicable at the designated safe havens. It was noted that the daily subsistence allowance rates were regularly reviewed and updated to take into account the current charges, such as for meals, lodging, gratuities and other payments made for services rendered during official travel. The average of $190 was not far from the current global security evacuation allowance of $200. Furthermore, the average of the after-60-day daily subsistence allowance rates applicable at the designated safe havens was $208 in 2012 and $196 in 2017. Those amounts were considered not to be significantly different to the prevailing security evacuation allowance amount of $200. Therefore, in the light of the methodology, the Commission considered that the allowance should be maintained at its current level.

Decisions of the Commission

149. The Commission decided:

(a) To maintain the security evacuation allowance at its current level of $200 per day in respect of the staff member and $100 per day in respect of each eligible family member for up to 30 days and thereafter $150 and $75, respectively, for a maximum period of six months; and of a single lump sum of $500 for shipping, applicable when the staff member or his or her family was evacuated;

(b) To conduct the next review of the level of the security evacuation allowance in 2023, in accordance with the established schedule.

Chapter VI
Needs assessment of the International Civil Service Commission

150. The present section is prepared in response to General Assembly resolution 74/255 B, in which the Assembly invited the Commission to carry out a needs assessment for its communication and legal expertise functions within its secretariat and in relation to its work and engagement with all relevant stakeholders and to present proposals in its next report. The invitation was a result of a request from ICSC for additional posts in the fields of communications and law after having introduced changes to the compensation system and having had to support the defence of numerous lawsuits over the years brought by staff relating to the decisions and recommendations of the Commission.

151. It should be noted that, in the majority of the cases brought by staff before the Administrative Tribunals, there was clearly a misunderstanding of the role of the Commission and the underlying factors determining staff compensation. The most recent such example relates to judgments of the International Labour Organization Administrative Tribunal, i.e., judgments Nos. 4134 to 4138 of 2019, in which the Tribunal erroneously concluded that the Commission did not have power to decide, itself, the amounts of post adjustments. In the judgments, the Tribunal further stated that ICSC could only make recommendations and not decide on amounts, and asserted that the General Assembly must approve any changes to post adjustment levels. That was a complete misinterpretation, given that it is stated in article 11 (c) of the ICSC statute that the Commission should establish the classification of duty stations for the purpose of applying post adjustments. In response to the opinion of the Tribunal, the General Assembly, in its resolution 74/255 B, reaffirmed its role in approving conditions of service and entitlements for all staff serving in the organizations of the United Nations common system, bearing in mind articles 10 and 11 of the statute of the Commission. In the same resolution, the Assembly reaffirmed the central role of the Commission in regulating and coordinating conditions of service and entitlements for all staff serving in the organizations of the United Nations common system.

152. As contained in its statute and as recently reaffirmed by the General Assembly, the Commission's mandate is to regulate and coordinate the conditions of service of staff of the United Nations common system. On some matters, such as the establishment of daily subsistence allowance rates and post adjustment multipliers and the rates of field-related allowances, the Commission itself may take decisions. In other areas, it makes recommendations to the Assembly, which then acts as the legislator for the common system. Such matters also include the Professional salary scale, the level of dependency allowances and the education grant. The Commission makes recommendations to executive heads of organizations on human resources policy issues and local salary scales at headquarters duty stations. While common system staff may, in general, be aware of the work of the Commission, many are not aware of its authority, which is embedded in its statute, or the authority granted to it by the Assembly. That lack of knowledge on the part of staff had compounded the work of the Commission over the years, given that the Commission had had to provide information to the legal offices of organizations and to tribunals relating to numerous lawsuits.

Assessment of needs

153. In-house legal and communications expertise would be the foundation for building a robust communications strategy aimed at increasing awareness of the technicalities involved in the Commission's work, enhancing outreach to staff and

management of common system organizations and decreasing the number of future lawsuits faced by the organizations relating to decisions and recommendations of the Commission.

A. Legal expertise

154. In carrying out its work, the Commission has had to develop methodologies to determine salaries, post adjustments and allowances, such as the education grant, among others. The processes of developing and approving methodologies have always been carried out in a collaborative manner through which all stakeholders and the Commission have been involved in decision-making regarding all aspects of those methodologies. Notwithstanding the Commission's efforts to include staff federations in its meetings and work, there have been serious misunderstandings on the part of staff, as well as sometimes incomplete information on the role of the Commission or decisions made by it or the General Assembly, leading to legal cases brought before the tribunals of the United Nations common system to counter the implementation of those decisions.

155. Experience has shown that many of the lawsuits filed by staff arose when a methodology did not yield the desired result for the staff at a location, although the same methodology had consistently yielded favourable results at other locations. The most recent such example relates to the results of the 2016 round of post adjustment surveys, conducted under the existing methodology, whose results were generally positive. It should be noted that, at all duty stations, local survey committees (comprising United Nations common system organizations and staff associations) were actively involved in the process, as was always the case, and staff participation was at an all-time high. However, owing to negative survey results in Geneva, some 300 common system staff of Geneva-based organizations had filed lawsuits against their organizations, which led to the above-mentioned International Labour Organization Administrative Tribunal judgments and a number of United Nations Dispute Tribunal judgments.

156. Other lawsuits in which the Commission has had to become involved relate to benefits, such as the education grant (United Nations Appeals Tribunal, 1997),[9] General Service local salary surveys (Appeals Tribunal, 1997,[10] and International Labour Organization Administrative Tribunal, 1996 and 1997[11]), as well as various Administrative Tribunal cases relating to issues such as the language factor.[12]

157. On numerous occasions, the Commission has had to seek legal advice by hiring experts in the field, which has been time-consuming and costly, owing to its involvement in unexpected lawsuits. Having a dedicated legal expert would provide the Commission with well-needed legal advice. The expert would serve as a lead officer, independently handling a wide range of multidiscipline and complex legal matters involving issues of international and administrative law, including the interpretation and application of instruments in the areas of human resources and compensation or a specific area of concentration. The officer would provide legal advice on diverse substantive and procedural questions of considerable complexity, which could include those relating to administration and management, institutional support and related policy and other operational matters. She or he would be expected

[9] United Nations Appeals Tribunal cases Nos. 855, 856, 858, 863, 867 and 872.

[10] United Nations Appeals Tribunal cases Nos. 950 and 956.

[11] International Labour Organization Administrative Tribunal cases Nos. 5-1157 and 1158, 1033, 1076 and 1077 (1996) and 1080–1083 (1997).

[12] International Labour Organization Administrative Tribunal cases Nos. 5-1026 (1996), 1771 (2003) and 3673 (2014).

to perform extensive legal research and analysis and prepare legal opinions, studies, briefs and responses to Tribunal cases, as necessary, and collaborate with legal colleagues from common system organizations. Furthermore, given the Commission's widespread use of working groups and task forces, the legal officer would be expected to provide legal advice to those groups and be responsible for reviewing decisions or providing advice thereon, including human resources policies and guidelines. The legal expert would provide legal motions and submissions when necessary and would represent the Commission at meetings, conferences and seminars and in other areas, as assigned, concerning legal interpretation and advice.

B. Communications expertise

158. In addition to benefiting from having a legal expert, common system organizations and the Commission would profit from having a communications expert to help to educate staff of the common system on various benefits and new or changed human resources policies, as well as on the role of the Commission. Educating common system staff, with the help of a communications officer, on the work of the Commission and the various elements of the compensation system, as well as on changes in entitlements and policies when they arise, would be of benefit to the Commission, the staff and the common system organizations as a whole. The officer would take the lead with regard to the strategy, planning, development and implementation of large, complex communications campaigns, such as global promotion initiatives and public information programmes for the various regions served by common system staff on specific subjects, such as the role and responsibility of the Commission with regard to its statute and its policymaking role, where appropriate. The officer would work with organizations and staff federations to develop ways to implement campaigns system-wide and to incorporate the campaign message and themes into all relevant events and products. He or she would provide advice and expertise to the Commission, senior management, other public information staff, common system organizations and staff federations on a range of issues, methods and approaches concerning the Commission's work, as well as anticipate and resolve communications issues and problems. The officer would manage and disseminate information by preparing a diverse range of information and communications products in support of major ICSC initiatives; draft ICSC materials and common system newsletters, periodicals, reports and booklets; report on developments, trends and attitudes among common system organizations as they relate to the work of the Commission; and evaluate the results and impact of communications activities. The communications expert would also be responsible for strengthening and developing strategic partnerships with key constituencies to elicit support for, and maximize the impact of, promotional objectives; build an information network; and plan and develop outreach activities. Lastly, in order to manage possible misinformation, the officer would interpret and disseminate relevant information, provide procedural advice and improve reporting systems.

Conclusion

159. Legal and communications experts working collaboratively with senior officials at ICSC would serve a dual purpose: managing and curbing the spread of misinformation among common system staff and organizations, leading to greater awareness among common system staff and an eventual decrease in lawsuits regarding decisions and recommendations of the Commission. The Commission therefore requested two additional posts at the P-4 level, for a communications officer and a legal officer in the ICSC secretariat. The financial implications of the revised Commission budget were estimated to be $455,200 per year.

Annex I

Programme of work of the International Civil Service Commission for 2021–2022

1. Resolutions and decisions adopted by the General Assembly and the legislative/ governing bodies of the other organizations of the common system.

2. Conditions of service applicable to both categories of staff:

(a) Review of the framework for contractual arrangements;

(b) Parental leave;

(c) Review of the human resources framework;

(d) Review of the implementation of Common Classification of Occupational Groups codes.

3. Conditions of service of the Professional and higher categories:

(a) Base/floor salary scale;

(b) Evolution of the United Nations/United States net remuneration margin;

(c) Post adjustment issues: reports and agendas of the Advisory Committee on Post Adjustment Questions and status report on the 2021 baseline surveys at headquarters duty stations;

(d) Children's and secondary dependant's allowances: review of methodology;

(e) Children's and secondary dependant's allowances: review of level;

(f) Education grant: representative schools;

(g) Education grant: review of level;

(h) Comprehensive assessment report on the compensation package for the United Nations common system;

(i) Review of staff assessment rates for grossing-up purposes and of Professional and higher category salaries;

(j) Review of the implementation of the recruitment incentive;

(k) Hardship classification methodology: impact of revised criteria;

(l) Review of the category H duty station designation under the hardship scheme;

(m) Payment of amount in lieu of settling-in at category E duty stations that are not designated as non-family;

(n) Mobility incentive: review of purpose, effectiveness and efficiency;

(o) Monitoring of geographical diversity;

(p) Monitoring of the implementation of existing gender policies and of the achievement of gender parity;

(q) Monitoring of the age distribution of the workforce;

(r) Mobility incentive: review of level;

(s) Hardship allowance: review of level;

(t) Non-family service allowance: review of level;

(u) Relocation shipment: review of level.

4. Conditions of service of the General Service and other locally recruited categories: review of local salary survey methodologies.

5. Review of the consultative process and working arrangements of the International Civil Service Commission.

6. Monitoring of the implementation of the decisions and recommendations of the International Civil Service Commission and the General Assembly by organizations of the United Nations common system.

7. Measures to address non-compliance with decisions and recommendations of the International Civil Service Commission.

Annex II

Cash and non-cash rewards in the common system organizations

Agency	*Name of recognition/ reward*	*Number of awards available*	*Criteria for granting cash and non-cash rewards*	*Number of eligible staff*	*Number of staff receiving cash and non-cash rewards*	*Total amount distributed*
Cash						
ICAO	Individual	5	An overall performance rating of "consistently exceeds expectations" or "occasionally exceeds expectations" is required. In making the recommendation for a cash award, the supervisor will highlight the achievement and contribution of the staff member in respect of key tasks and specific outcomes.	4	4	$3 264
ICAO	Team	50	For each team member, an overall performance rating of "consistently exceeds expectations", "occasionally exceeds expectations" or "fully meets expectations" is required; and a rating of "consistently exceeds expectations" or "occasionally exceeds expectations" is also required for the key task and expected output/ result reflected in the staff performance appraisal system (PACE) performance plan that relates to the specific team/project for which the team award is recommended.	22	22	$17 950
UNHCR[a]	Safe-driving bonus		The safe-driving bonus is a monetary amount, generally equivalent to approximately one week's salary. Locally recruited staff members who have served for six months or more as drivers during the relevant period and have spent at least 30 per cent of their time on driving duties may qualify for the safe-driving bonus if they have demonstrated that their performance promotes road safety. In this spirit, drivers who meet the following criteria are eligible for the safe-driving Bonus: (a) the driver reported all vehicle incidents in which the driver was involved during the relevant period in accordance with established procedures; (b) no substantiated report of driver negligence or misconduct during the relevant period was submitted against the driver (e.g., speeding, driving under the influence of drugs or alcohol or any other unsafe driving practices); and (c) the driver has not been subject to disciplinary measures connected with driving performance.		1 556	$533 151

Agency	*Name of recognition/ reward*	*Number of awards available*	*Criteria for granting cash and non-cash rewards*	*Number of eligible staff*	*Number of staff receiving cash and non-cash rewards*	*Total amount distributed*
UNFPA	20 and 30 years' service awards		20 years of service: certificate and $150; 30 years of service: certificate and $250		26 and 3, respectively	3 900 and 750, respectively
UNOPS	Merit rewards	No ceiling	In accordance with applicable policy for goals achieved at the organization, region or country level and for satisfactory individual performance.	4 209	3 529	2.9 million
WIPO	"Delivering excellence" Cash lump sum of SwF 7 500	1 individual reward per sector; in sectors with more than 50 staff members, 1 individual reward per 50 staff members. In 2019, 26 rewards were available.	The staff member has achieved an "outstanding performance" rating in the relevant Performance Management and Staff Development System cycle; has demonstrated exceptional effort, creativity and competence, going far beyond the call of duty; has achieved outstanding results; or has been noted for outstanding service-orientation; and has demonstrated the core values of WIPO in his or her daily work.	1 033	26	SwF 182 686
WIPO	"Acting responsibly" Cash lump sum of SwF 4 000	3 individual rewards	The staff member has significantly contributed to a positive and harmonious work environment with his or her highly professional attitude and behaviour in the execution of work, for example in the way he or she has shared knowledge, provided services or demonstrated team spirit; has achieved at least an "effective performance" rating in the relevant Performance Management and Staff Development System cycle; and has demonstrated in daily work the core values of WIPO.	1 033	3	SwF 12 000
WIPO	"Working as one"	5 team rewards	The team must consist of at least three members from within or across organizational units and sectors who have worked collaboratively for a minimum period of three months; the results achieved by the team contribute clearly and substantially to the organization's strategic objectives; the team has demonstrated exceptional effort, creativity and competence, going far beyond the call of duty; all team members nominated have achieved at least an "effective performance" rating in the relevant Performance Management and Staff Development System cycle, or the equivalent in the applicable performance management system; and all team members nominated have demonstrated the core values of WIPO in their daily work.	1 536	Five teams, a total of 78 team members, including the team leader	SwF 50 000

Agency	Name of recognition/ reward	Number of awards available	Criteria for granting cash and non-cash rewards	Number of eligible staff	Number of staff receiving cash and non-cash rewards	Total amount distributed
Non-cash						
ICAO	Individual	Unlimited	An overall performance rating of “consistently exceeds expectations” or “occasionally exceeds expectations” is required.	23	23	No-cost. Internally issued certificate.
ICAO	Team	Unlimited	For each team member, an overall performance rating of “consistently exceeds expectations”, “occasionally exceeds expectations” or “fully meets expectations” is required; and a rating of “consistently exceeds expectations” or “occasionally exceeds expectations” is also required in relation to the staff member’s contribution for the task/outcome reflected in his or her staff performance appraisal system report that relates to the specific team/project for which the team award is recommended.	106	106	No-cost. Internally issued certificate.
ICAO	Bronze lapel pin	As required	5 years’ continuous service with ICAO	57	57	$430
ICAO	Silver lapel pin	As required	12 years’ continuous service with ICAO	21	21	$235
ICAO	Gold lapel pin	As required	25 years’ continuous service with ICAO	3	3	$249
ICAO	Clock	As required	30 years’ continuous service with ICAO	7	7	$1 082
ICAO	Watch	As required	35 years’ continuous service with ICAO	1	1	$232
ICAO	Pen	As required	40 years’ continuous service with ICAO	1	1	$309
ILO	ILO recognition awards	Up to 6	Teamwork Award: recognizes a team in the organization for an outstanding result achieved through effective teamwork and collaboration. Each member of the team involved in the achievement may be recognized (all grades, contracts and funding sources). Innovation Award: recognizes a team in the organization for an innovative and outstanding contribution to the global impact of ILO. Each member of the team involved in the achievement may be recognized (all grades, contracts and funding sources). Leadership Award: recognizes an individual in the organization who, through qualities of outstanding leadership, has inspired and motivated colleagues to advance the ILO mandate and behaves in a manner that upholds and promotes the organization’s values. Staff members nominated must hold either fixed-term or without-limit-of-time contracts (all grades and funding sources).	All ILO staff	Teamwork Award – 2 teams (6 staff and 16 staff) Innovation Award – 2 teams (19 staff and 11 staff) Leadership Award (2 staff) Total: 54	A certificate and a pen set are given to each winner and each member of the panel.

Agency	*Name of recognition/ reward*	*Number of awards available*	*Criteria for granting cash and non-cash rewards*	*Number of eligible staff*	*Number of staff receiving cash and non-cash rewards*	*Total amount distributed*
ILO	Merit increment	15 per cent of eligible staff	1. Performance during the period under review has been appraised as frequently or consistently exceeding the performance requirements and who are not in receipt of the maximum salary for their grade. 2. Decision by the Reports Board. 3. The timing of special merit increments and the number of recommendations that may be made each year will be subject to limitations defined by the Director General after consulting the Joint Negotiating Committee.	Approximately 650	100	Not budgeted separately; incorporated into the calculation of regular standard costs.
ILO	Personal promotion		Promotion to the next higher grade in their category for P-1 to P-5, National Officers (NO-A to NO-C) and General Service staff who have not reached the top grade of their category once only in the course of their entire service with the organization; Performance of duties has been consistently superior to that normally associated with the level of responsibilities of their job; and additional limitations based on years of service in present grade (13) and/or another specialized agency (25). As from 1 January 2000, for officials in the Professional category, normally completion of at least one posting outside Geneva, subject to exceptions that may be decided by the Director General after consulting the Joint Negotiating Committee.			
United Nations	United Nations Secretary-General Awards	4	Selection by an independent jury	All	Up to 30	
UNFPA	Rewards/recognition toolkit	Unlimited	This toolkit includes certificates in three languages, along with other ideas on how to reward/recognize staff and personnel for exceptional performance.	All staff and personnel		
UNFPA	10-Year Service Award		Certificate and pen	140	140	$700
UNFPA	Retirement		Certificate, memo from the Executive Directorate and globe	24	24	$480

Agency	Name of recognition/ reward	Number of awards available	Criteria for granting cash and non-cash rewards	Number of eligible staff	Number of staff receiving cash and non-cash rewards	Total amount distributed
UNHCR[b]	Personal Grade Award		Applicable to staff members in the General Service category – linked to performance: (a) Have reached the age of 55 or 57 or 60, according to their normal retirement age, whether that is 60, 62 or 65, respectively; (b) Have completed five years of continuous service with UNHCR on positions at the staff member's current personal grade; (c) Have not been subject to any disciplinary measures within the last five years; (d) Have consistently demonstrated satisfactory service reflected by consistent records of performance appraisals with an overall rating of "successfully meets performance expectations" or "exceeds performance expectations", or equivalent ratings under former performance management policies, and less than 18 cumulative months of missing or non-finalized performance appraisals for the staff members during the preceding five years.		51	$10 947
UNHCR	Long Service Awards	Not linked to performance	Recognition of service of staff members at intervals of 10, 15, 20 and more than 25 years: 10 years of service – certificate; 15 years of service – certificate; 20 years of service – plaque; 25 years of service – gold pin.		875	$45 957
UNICEF	Long Service Awards		5-year increments of uninterrupted service with the United Nations beginning with a minimum of 1 year.	Approximately 5 000	Approximately 5 000	$50 000
UNOPS	UNOPS Awards	6 individual awards and one project of the year award	Multiple	All	12 individual/ group winners and 1 winner project	
UN-Women	Value thank-you cards		For performance and behaviour in line with the values and competencies of UN-Women. Can be given by anyone in the organization. Online and hard copies of cards available in each office.	Any personnel member	Over 300 cards distributed	
WHO	Director General's individual awards	6 (1 per major office, including headquarters)	In granting any of these awards, the Director General and regional directors recognize one or more of the following success criteria: (a) gender and diversity – recognizes exceptional contributions to WHO gender and diversity goals; (b) leadership (supervisors/ managers/team leads) – recognizes staff members who have inspired or motivated colleagues to achieve a		6	Equivalent of $12 000 (includes the cost of medals, pins and certificates for each recipient)

Agency	*Name of recognition/ reward*	*Number of awards available*	*Criteria for granting cash and non-cash rewards*	*Number of eligible staff*	*Number of staff receiving cash and non-cash rewards*	*Total amount distributed*
			shared goal, in line with the WHO strategy, priorities and values; (c) people management (supervisors/ managers/team leads) – recognizes demonstrated success in promoting inclusion, staff development, team-building, mentoring or coaching; (d) innovation – recognizes programmatic, managerial or administrative approaches or methods that have resulted in significant impact on WHO; (e) client orientation – recognizes excellence in client commitment through achieving the highest standards of quality, timeliness and effectiveness; (f) exceptional achievements – recognizes exceptional achievements in one or more of the areas covered by the WHO mandate; (g) WHO transformation – recognizes exceptional contributions to transformation objectives and, in particular, the General Programme of Work; (h) values champions (individuals/teams) – recognizes exceptional modelling of the values in the WHO Values Charter through individual and/or team behaviour.			
WHO	Director-General's team awards			6	6 teams (409 staff members in all)	
WHO	Regional Director's Awards	5 (1 per major office)		5	3 individuals and 2 teams (24 staff members in all)	
WHO	Director-General's Award for headquarters	1		1	1 team (24 staff members)	
WHO	Special leave	3 days		Each recipient is eligible	463	Equivalent of 3 days salary for each recipient
WIPO	Appreciation for outstanding performance. – Certificate of appreciation from the Director General. – Programme Manager appreciation event (discretionary)	All staff achieving an overall rating of "Outstanding performance" in the relevant Performance management and staff development cycle	Overall performance management and staff development rating of "Outstanding performance" in the relevant performance management and staff development cycle.	1 033	196	Not applicable

Agency	Name of recognition/ reward	Number of awards available	Criteria for granting cash and non-cash rewards	Number of eligible staff	Number of staff receiving cash and non-cash rewards	Total amount distributed
WIPO	"Shaping the Future" reward in the form of a professional training programme of not more than four weeks' duration at an educational institution. Travel costs, accommodation and tuition. Special leave with full pay.	3 individual developmental rewards, 1 each at the following levels: Senior staff (P-5 to D-2); mid-level staff (G-7 and P-1 to P-4); support staff (G-2–G-6)	The staff member has achieved an "Outstanding performance" rating in the relevant performance management and staff development cycle; has demonstrated exceptional effort, creativity and competence going far beyond the call of duty; has contributed significantly to change and innovation, getting WIPO future-ready, obtaining efficiency gains or achieving cost savings for WIPO; and has demonstrated the core values of WIPO in daily work.	1 037	4	Up to SwF 20 000 per reward, allocated to travel costs, accommodation and tuition.
WIPO	Certificate of appreciation from the Director General for special contributions, through voluntary service, to the internal functioning of the organization	All staff who are members of the WIPO Appeal Board (statutory membership: 8 members) or the Joint Advisory Group (statutory membership: 12 members)	Having served on the WIPO Appeal Board or the Joint Advisory Group during the relevant performance evaluation cycle.	12 (WIPO Appeal Board), 7 (Joint Advisory Group)	9 (WIPO Appeal Board), 7 (Joint Advisory Group)	
WFP	Best teams' and individuals' performance		Individuals and teams and pay tribute to the effort and commitment that they put into the WFP mission to save lives and change lives.	All staff	1 individual and 1 team (of 319 and 256 nominations, respectively)	–
WFP	WFP Gender Equality Award		Extent of achievement on the country office action plan to strengthen gender equality. Efforts are assessed against a benchmark matrix, with the use of data from documents, interviews, focus group discussions and observations.	All country offices	3 country offices	–
WFP	2018 WFP Innovation Challenge		WFP Innovation Challenge, a competition that showcases WFP bold early-stage ideas with true potential to make an impact in the field.	All staff	4 (53 countries submitted more than 150 applications)	–

Agency	Name of recognition/ reward	Number of awards available	Criteria for granting cash and non-cash rewards	Number of eligible staff	Number of staff receiving cash and non-cash rewards	Total amount distributed
WFP	Long Service Awards		10 (silver lapel) or 25 (gold lapel) years of service with WFP (total years include time served in other United Nations agencies).	Regular staff; short-term Professional and General Service staff; and consultants	All eligible staff	–
IFAD	Reward leave		Rating of 4 (Superior – eligible for 3 days); Rating of 5 (Outstanding – eligible for 5 days)	No cap	Number not yet available	Cost is absorbed by divisions
IFAD	Mini-sabbatical leave (up to 10 days)		Ratings of 4 (Superior) and 5 (Outstanding)			Divisional budget
IFAD	Attending a conference relevant to job role					Human Resources Division budget
IFAD	External training not offered in house and in line with staff career development plans		Rating of 5 (Outstanding)			Human Resources Division budget
IFAD	Travel to IFAD country offices or headquarters		Ratings of 4 (Superior) and 5 (Outstanding)			Human Resources Division budget

[a] A long-standing provision that also exists in other common system organizations.

[b] UNHCR also reported a long-service step for locally recruited staff, where applicable, according to the salary scale, that is consistent with common system provisions and applied by all the common system organizations.

Annex III

Amounts spent on recognition and reward programmes

Organization	*Funding for recognition and reward programmes (2019)*
CTBTO	Not applicable
FAO	Not applicable
ICAO	$18,492 (0.031 per cent)
IFAD	$110,000 (0.12 per cent of staff costs)
ILO	Did not respond
IMO	Not applicable
ITC	Not applicable
ITU	Not applicable
United Nations	One staff member (P-4) to organize the United Nations Secretary-General Awards process over a period of 1.5 months.
UNAIDS	Not applicable
UNDP	Not applicable. The Programme does not have a centrally managed budget for rewards and recognition. Some individual business units may have a budget, but they are not monitored or tracked centrally.
UNFPA	$10,000 (less than 1 per cent)
UNHCR	$547,114
UNICEF	Has not yet implemented a recognition and reward programme, therefore there is no funding assigned to this area.
UNOPS	Has a total budget of approximately $3 million for its merit reward scheme available (for staff and non-staff). Overall cost of merit rewards was 1.1 per cent of 2018 remuneration costs (approximately $3 million over $268,738,000). In total, 3,529 personnel were paid merit rewards, receiving $819 each on average.
UNRWA	Not applicable
UN-Women	No funding allocated. All recognition materials were already printed.
UNWTO	Unable to obtain this information at present from the Budget and Finance Department owing to the exceptional situation of COVID-19.
UPU	Not applicable
WFP	As most of the rewards are non-cash, there are mainly indirect costs related to the ceremony and travel of the winners. Most of the awards are decentralized and each division or office manages the associated costs.
WHO	$12,000 (0.0032 per cent)
WIPO	$335,693 (0.14 per cent). For the 2020/21 biennium, WIPO member States have agreed on a provision of SwF 1,152,000 for the rewards and recognition programme.

Note: Amounts were requested in respect of personnel on staff appointments and the percentages are calculated against an organization's projected remuneration costs (net remuneration for staff in the Professional and higher categories, and salaries for the General Service and related categories) as specified in the International Civil Service Commission framework for recognition and reward programmes.

Annex IV

Proposed salary scale and pay protections points

A. Salary scale for the Professional and higher categories showing annual gross salaries and net equivalents after application of staff assessment (effective 1 January 2021)[a]

(United States dollars)

		Steps												
Level		*I*	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI*	*XII*	*XIII*
USG	**Gross**	**205 264**												
	Net	150 974												
ASG	**Gross**	**186 323**												
	Net	138 473												
D-2	**Gross**	**148 744**	**152 092**	**155 517**	**158 944**	**162 371**	**165 798**	**169 221**	**172 650**	**176 074**	**179 498**			
	Net	113 621	115 881	118 141	120 403	122 665	124 927	127 186	129 449	131 709	133 969			
D-1	**Gross**	**133 164**	**136 000**	**138 840**	**141 679**	**144 507**	**147 347**	**150 194**	**153 198**	**156 211**	**159 217**	**162 224**	**165 229**	**168 239**
	Net	102 715	104 700	106 688	108 675	110 655	112 643	114 628	116 611	118 599	120 583	122 568	124 551	126 538
P-5	**Gross**	**114 767**	**117 181**	**119 596**	**122 006**	**124 420**	**126 831**	**129 247**	**131 659**	**134 071**	**136 483**	**138 897**	**141 306**	**143 723**
	Net	89 837	91 527	93 217	94 904	96 594	98 282	99 973	101 661	103 350	105 038	106 728	108 414	110 106
P-4	**Gross**	**93 964**	**96 109**	**98 254**	**100 433**	**102 760**	**105 089**	**107 420**	**109 749**	**112 076**	**114 401**	**116 734**	**119 057**	**121 386**
	Net	74 913	76 543	78 173	79 803	81 432	83 062	84 694	86 324	87 953	89 581	91 214	92 840	94 470
P-3	**Gross**	**77 132**	**79 117**	**81 103**	**83 086**	**85 072**	**87 055**	**89 039**	**91 028**	**93 011**	**94 995**	**96 984**	**98 968**	**101 036**
	Net	62 120	63 629	65 138	66 645	68 155	69 662	71 170	72 681	74 188	75 696	77 208	78 716	80 225
P-2	**Gross**	**59 612**	**61 387**	**63 161**	**64 936**	**66 713**	**68 491**	**70 268**	**72 038**	**73 816**	**75 589**	**77 366**	**79 143**	**80 917**
	Net	48 805	50 154	51 502	52 851	54 202	55 553	56 904	58 249	59 600	60 948	62 298	63 649	64 997
P-1	**Gross**	**45 990**	**47 370**	**48 749**	**50 142**	**51 647**	**53 157**	**54 662**	**56 170**	**57 676**	**59 184**	**60 689**	**62 196**	**63 703**
	Net	38 172	39 317	40 462	41 608	42 752	43 899	45 043	46 189	47 334	48 480	49 624	50 769	51 914

Abbreviations: ASG, Assistant Secretary-General; USG, Under-Secretary-General.

[a] The normal qualifying period for in-grade movement between consecutive steps is one year. The shaded steps in each grade require two years of qualifying service at the preceding step.

B. Pay protection points for staff whose salaries are higher than the maximum salaries on the unified salary scale (effective 1 January 2021)

(United States dollars)

Level		*Pay protection point 1*	*Pay protection point 2*
P-4	**Gross**	**123 719**	**126 047**
	Net	96 103	97 733
P-3	**Gross**	**103 189**	**105 343**
	Net	81 732	83 240
P-2	**Gross**	**82 692**	**–**
	Net	66 346	–
P-1	**Gross**	**65 209**	**–**
	Net	53 059	–

Annex V

Yearly comparison and the development of the margin over time

A. Comparison of average net remuneration of United Nations officials in the Professional and higher categories in New York and United States officials in Washington, D.C., by equivalent grades (margin for calendar year 2020)

Grade	*Net remuneration (United States dollars)*		*United Nations/ United States ratio (United States, Washington, D.C.=100)*	*United Nations/ United States ratio adjusted for cost-of-living differential*	*Weights for calculation of overall ratio*[d]
	United Nations[a,b]	*United States*[c]			
P-1	70 166	58 987	119.0	105.8	0.7
P-2	92 666	73 138	126.7	112.6	11.0
P-3	117 272	93 328	125.7	111.7	30.2
P-4	140 863	111 103	126.8	112.7	33.0
P-5	167 225	128 977	129.7	115.3	18.0
D-1	189 311	145 826	129.8	115.4	5.4
D-2	204 880	157 304	130.2	115.7	1.7
Weighted average ratio before adjustment for New York/Washington, D.C., cost-of-living differential					127.1
New York/Washington, D.C., cost-of-living ratio					112.5
Weighted average ratio, adjusted for cost-of-living differential					113.0

[a] For the calculation of average United Nations salaries, personnel statistics of the United Nations System Chief Executives Board for Coordination as at 31 December 2018 were used.

[b] Average United Nations net salaries by grade, reflecting 1 month at multiplier 65.5 and 11 months at multiplier 70.3 on the basis of the unified salary scale in effect from 1 January 2020.

[c] For the calculation of average United States federal civil service salaries, personnel statistics as at 31 December 2018, received from the United States Office of Personnel Management, were used.

[d] These weights correspond to the United Nations common system staff in grades P-1 to D-2, inclusive, serving at Headquarters and established offices as at 31 December 2018.

B. Calendar year margin levels, 2011–2020

Year	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*	*2020*
Margin	114.9	116.9	119.6	117.4	117.2	114.5	113.0	114.4	113.4	113.0

Annex VI

Proposed agenda for the forty-second session of the Advisory Committee on Post Adjustment Questions (revised)

1. Methodological issues pertaining to the compilation of the post adjustment index:

   (a) Evaluation of the effects of applying the Törnqvist formula in aggregation of the major components of the post adjustment index and its in-area (excluding housing) component;

   (b) Proposals for statistical measures to neutralize the impact of pure methodological change on the post adjustment index;

   (c) Specification of the coefficient of reliability used in the estimation of mixed expenditure weights by combining duty station-specific and pooled weights; and the criteria for the selection of candidate duty stations contributing to the pooled weights.

2. Methodological issues pertaining to the housing component of the post adjustment index:

   (a) Evaluation of the use of appropriate consumer price indices for rent or housing in the temporal updating of rent indices for group I duty stations;

   (b) Review of the classification of expenditures on major household appliances for group II duty stations;

   (c) Proposals for streamlining the items currently categorized as "other housing costs".

3. Review of the methodology for measuring the domestic services component of the post adjustment index:

   (a) Examination of the feasibility of using market price data for the prevalent type of domestic service for the calculation of the domestic service index for group I duty stations;

   (b) Treatment of the domestic services component as a separate basic heading of the in-area (excluding housing) component of the post adjustment index for group II duty stations.

4. Assessment of the extent of staff expenditure on supplementary medical insurance and the impact of including such expenditures in the calculation of the post adjustment index.

5. Development of the list of items and specifications.

6. Development of the list of outlets.

7. Re-design of survey instruments:

   (a) Staff expenditures survey questionnaire;

   (b) Pricing forms;

   (c) Survey coordinator's report.

8. Procedures for establishing new expenditure weights.

9. Procedures and guidelines for the collection and processing of data collected from the baseline cost-of-living surveys at headquarters duty stations.

10. Schedule of activities for the collection and processing of data from the baseline cost-of-living surveys at headquarters duty stations and Washington, D.C.

11. Other business.

20-14287 (E) 191120