



Agenda item 139

Note by the Secretary-General on Implementation of the new common system compensation package in the United Nations Secretariat (A/70/896)

Statement by
Mr. Victor Kisob, Officer-In-Charge, Office of Human Resources
Management
to the Fifth Committee
11 October 2016

Madam Chairperson, distinguished delegates,

Thank you for the opportunity to introduce the Secretary-General's Note on the implementation of the new common system compensation package in the United Nations Secretariat (A/70/896).

The General Assembly, in its resolution 70/244 on the United Nations Common System decided that the changes to the ICSC new compensation package for staff in the Professional and higher categories to come into force on 1 July 2016 include: i) modification of the eligibility requirement for repatriation grant; ii) changes to relocation elements; and iii) changes to field allowances and benefits; including the hardship allowance, the additional hardship allowance; the mobility allowance; and the accelerated home leave travel.

In the same resolution, the General Assembly further decided that the proposed unified base/floor salary scale structure should come into force on 1 January 2017 and that the changes to the education grant should come into force for the school year in progress as of 1 January 2018.

The required amendments to the staff regulations, which were to be in place by 1 July 2016, have been approved by the General Assembly in its resolution 70/256. The provisional staff rules required by 1 July 2016 were promulgated by the Secretary-General. Those provisional staff rules as well as additional amendments required to the staff regulations and rules for

1 January 2017 were submitted by the Secretary-General in his report A/71/258, which is before you for consideration during this 71st session of the General Assembly. Amendments required for implementation of the changes effective 1 January 2018 will be submitted to the General Assembly at its 72nd session in accordance with chapter XII of the staff regulations and rules.

Overall the Secretariat's policy framework is or will be ready to proceed with implementation of all the changes as per the effective dates mandated by the General Assembly.

Madam Chairperson

On 1 July 2016 the Secretariat implemented the majority of elements of the new compensation package slated for phase one of the implementation schedule. However, based on testing requirements and the need for data clean-up, the Secretariat was not able to implement on time two of the elements that were due for implementation by 1 July 2016: i) the introduction of the mobility incentive in lieu of the mobility allowance and ii) the discontinuation of the non-removal element. These elements will be implemented on 1 November 2016 with retroactive action.

Further, due to the complexity in the computer coding required for the implementation of the new unified base/floor salary scale, it will not be able to make the technical solution operational until 1 September 2017.

The remaining changes to the compensation package that should come into force as of 1 January 2018 will be implemented for the school year in progress as of 1 January 2018.

The note by the Secretary-General (A/70/896) presented a summary of the technical and operational challenges faced by the Secretariat which is causing unavoidable delays in implementing some of the elements of the new compensation.

Madam Chairperson

Allow me to emphasize that the delay is not attributable to the ERP system vendor for the delivery of the required technical adjustments to our Enterprise-Resource-Planning system but rather to the complexity in the computer coding of some of the elements of the compensation package, which will result in delivery by the vendor of the technical solutions at such dates that it does not provide sufficient lead time for the Secretariat to conduct all the required pre-deployment activities including extensive technical testing of the new solution.

It should be noted that the 1 January 2017 changes to a new unified salary scale and related dependency allowances will affect all internationally-recruited staff in both the Professional and higher category

and in the Field Service category and will affect most lines in the monthly payslip of these staff. The high level of risks of inaccuracies could result in increased legal and financial liabilities for the Organization. In order to mitigate those risks, it is imperative that the Secretariat implements the new compensation package with as minimal technical problems as possible.

Since the issuance of the Note by the Secretary-General, the Secretariat has gathered additional inputs from the International Civil Service Commission and the United Nations Joint Staff Pension Board. Through very close collaboration with the vendor, the Secretariat has identified an **interim mitigation solution** that would allow the UN Secretariat to implement the unified scale as of 1 January 2017 as mandated by the General Assembly, therefore obviating the need for any realignment of the implementation date. In addition, the interim mitigation solution would also minimize the variations in the staff members' monthly net pay between what they should receive and what they would actually receive during the delay period (from 1 January to 31 August 2017). As a result of this interim mitigating solution, recalculation would still be needed but with limited adjustment to the net pay of staff members hence reducing the risk of legal and financial liabilities, and eliminating potential issues for the UNJSPF.

We will provide more details on this interim mitigation solution during the informal consultations and look forward to a decision by the General Assembly that would help the Secretariat address potential litigations from staff members during the interim period.

Finally, allow me to confirm that with the steps being taken by the Secretariat, including the interim mitigation solution, will not have an impact on the expected saving associated with the various elements of the package as reported in the Secretary-General's note on the financial implications of the recommendations of the Commission (A/C.5/70/3).

Thank you Madam Chairperson. My colleagues and I stand ready to answer any questions that the Committee may have.