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**INTERNATIONAL CIVIL SERVICE
COMMISSION**

**COMMISSION DE LA FONCTION
PUBLIQUE INTERNATIONALE**

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**ITEM 141: UNITED NATIONS COMMON SYSTEM
REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION**

**INTRODUCTORY STATEMENT BY THE CHAIRMAN
OF THE INTERNATIONAL CIVIL SERVICE COMMISSION
MR. KINGSTON P. RHODES
TO THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY
NEW YORK, 27 OCTOBER 2016**

**Madam Chair,
Distinguished Members of the Fifth Committee,
Ladies and Gentlemen,**

Before introducing the annual report of the International Civil Service Commission (ICSC) for the year 2016, I would first like to congratulate you, Madam Chair, and your Bureau on your election. Let me assure you of the Commission's highest regard and our best wishes for a successful session. We look forward to working with you over the coming weeks towards a positive outcome.

Last year, I reported to this Committee the results of the first phase of the review of the common system compensation package which focused on staff in the Professional and higher categories. The Commission was gratified by the General Assembly's approval of the majority of its recommendations. Work has now begun on the next phase of the review dealing with the use of the various categories of staff in the common system.

Base/floor salary

In its resolution 70/244, the General Assembly approved a recommendation which was the centerpiece of the comprehensive review of the compensation package, a unified salary scale for staff in the Professional category. The new unified scale, which will become effective on 1 January 2017, no longer distinguishes between the family status of a staff member and aligns the number of steps. As the General Assembly further decided that the scale would be adjusted to

reflect the movement of comparator salaries between the time the unified scale was approved and its implementation date, the revised unified scale found in Annex V of the report reflects that movement.

In line with usual practice, the recommended 1.02 per cent increase in the salary scale is proposed on a no-gain/no-loss basis, with a commensurate reduction in post adjustment.

Evolution of the United Nations/United States net remuneration margin

The Commission continued under a standing mandate to monitor the net remuneration margin, which is the relative difference between the net remuneration of United Nations staff in the Professional category in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C. As requested by the Assembly last year, the Commission continued action to bring the calendar margin to around the desirable midpoint of 115.

Over the last year, the margin continued its downward trend and has moved from 117.2 in 2015 to 114.5 in the present calendar year. The latter figure is based on the latest CEB personnel statistics.

Post adjustment matters

The new round of cost-of-living surveys at headquarters duty stations and Washington, D.C., is currently underway. This will be the basis for cost-of-living comparisons and expenditure weights for the next five years or so, when the next round of surveys will be undertaken. In this regard, the Commission's secretariat is implementing, in collaboration with administrations and staff associations based at the relevant duty stations, a number of enhancements to the post adjustment methodology and operational procedures, as recommended by the Advisory Committee on Post Adjustment Questions (ACPAQ) and as approved by the Commission. These include a revised list of items and specifications; the use of external data collected under the European Comparison Programme for all covered group I duty stations; a re-designed web-based staff expenditure survey questionnaire and other data collection forms; and revised procedures and guidelines for data collection. More information may be found in the report before you. The Commission will report the results of the surveys in 2017.

End-of-service severance pay

I turn now to the Assembly's decision in resolution 65/248 to defer the issue of end-of-service severance pay to its present session. It should be recalled that in 2009, the Commission had recommended that this payment be introduced for fixed-term staff separated from their organizations after 10 or more years of continuous service upon expiration of contract. It was considered that this benefit would, *inter alia*, allow the organizations more flexibility in establishing an appropriate mix of continuing and fixed-term contracts.

In 2016, the Commission reviewed its earlier recommendation in light of the evolution of the contractual framework and recent separation trends in common system organizations and

decided to confirm its continued validity. The Commission also considered that the recent developments in field and peacekeeping activities supported the need for the organizations to have a mechanism to reward long-serving and productive staff who left the organizations owing to the closing or downsizing of missions.

With these considerations in mind, the Commission is resubmitting its recommendation to introduce end-of-service severance pay.

Report on gender balance in the United Nations common system

In response to a request made by the General Assembly in resolution 70/244, the Commission reviewed the progress made by the organizations in implementing their existing gender policies and measures aimed at achieving the goal of 50/50 gender balance in the common system. The findings which are contained in our report compel the Commission to urge organizations to continue implementing existing gender policies and measures to meet the 50/50 goal. Next year, the Commission will holistically review all issues relating to inclusiveness and diversity and report to the General Assembly.

Salaries and dependency allowances of locally recruited staff

In accordance with established practice, the Commission's report, in addition to its recommendations to the UN General Assembly, also includes its decisions and recommendations to the executive heads of all common system organizations. These cover the salaries and dependency allowances of locally-recruited staff.

The Commission carried out salary surveys for General Service staff and Language Teachers in Geneva. The surveys resulted in a recommendation, to the Geneva-based organizations, of new salary scales that are 1.8 per cent lower than the existing scales.

As regards the dependency allowances for staff in this category, you may recall that allowances were frozen in response to the General Assembly's request contained in resolution 68/253, not to increase allowances pending the submission by the Commission of its findings on (the first part of) the comprehensive review. Following the decision by the Assembly to lift the freeze on the increases of allowances for the General Service and related categories as from 1 January 2016 (70/244), the Commission requested its secretariat to conduct an ad hoc one-time review of the levels of the dependency allowances in Madrid, London, New York and Geneva, which otherwise would not have been reviewed until the next round of surveys in eight to ten years. Based on this review, the Commission has recommended to the executive heads of the respective organizations revised levels of dependency allowances for the aforementioned locations with effect from the next interim adjustment to the salary scales. In the case of London, retroactive implementation from May 2016 is recommended, the date of the first interim adjustment after the date of the lifting of the freeze by the General Assembly.

Framework for human resource management

The Commission reviewed and approved a revised human resources management framework to replace the current framework that has been in place since the year 2000. The purpose of the review was to determine whether the framework remained relevant and up to date. The new framework provides the conceptual basis for linking human resources management functions and organizational results. It is strategic, staff centered and results-based, and highlights the role of human resources management to assist organizations in meeting their goals. Outcomes and indicators were added to promote the active participation of the human resources management function in policy, planning and strategic change management decisions in organizational contexts where a results orientation is important. I am pleased to submit to you the framework which is designed as a “living” document which can be updated as necessary and that will allow organizations to create linkages with their own relevant human resources policies.

Review of the common system compensation package

I would like to return now to the comprehensive review of the common system compensation package, the first phase of which has been completed. In resolution 70/244 the Assembly asked the Commission to present a progress report on the implementation of the new package at its seventy-first session. The CEB Human Resources Network has provided the organizations’ response which can be found in annex III. The Commission took note of the information and expressed concern over the implementation delays by some organizations. Also in response to resolution 70/244, the Commission reviewed the level of allowances and intends to continue that review in accordance with the schedule outlined in annex IV.

The Commission is continuing its work on the use of the various staff categories. This is clearly a complex matter requiring careful study, as decisions taken may have a profound impact on the way the international civil service is structured in the future.

Madam Chair, distinguished members of the Committee,

Let me conclude by saying that I thank you Madam Chair and Members of the Committee for your attention.

As usual, the Commission’s recommendations, together with their financial implications, are summarized at the beginning of our report for ease of reference. My secretariat and I will be happy to answer your questions and provide any clarification you may need. I look forward to working with you and receiving your comments on our work.

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