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**INTERNATIONAL CIVIL SERVICE
COMMISSION**

**COMMISSION DE LA FONCTION
PUBLIQUE INTERNATIONALE**

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**ITEM 148: UNITED NATIONS COMMON SYSTEM
REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION**

**INTRODUCTORY STATEMENT BY THE ICSC CHAIRMAN
MR. LARBI DJACTA
TO THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY
NEW YORK, 9 DECEMBER 2020**

**Mr. Chairman,
Distinguished Members of the Fifth Committee,
Ladies and Gentlemen,**

Before introducing the annual report of the International Civil Service Commission (ICSC) for the year 2020, I would first like to congratulate you, Mr. 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, when I presented the work of the Commission for the first time as Chair, I reaffirmed the Commission's commitment to carry out its mandate to regulate and coordinate the conditions of service of the United Nations common system; I emphasized the need to have the support of all stakeholders to guarantee the Commission's continued success. At the time, I could not have predicted the challenge that lay ahead of us in 2020. The COVID-19 pandemic clearly had a major impact on the work of the Commission and on most of the common system organizations. Yet, the task of the ICSC remained the same - that is - to recommend policies that Member States can support and that will enable the organizations to implement their mandates, while inspiring staff through monetary and non-monetary means to perform their indispensable role in the delivery of those mandates.

In this context, following the declaration by the World Health Organization that COVID-19 was a pandemic, the ICSC secretariat collaborated with WHO and the CEB/HR Network to ensure that proper measures were put in place for “non-protected environments where medical staff are specifically at risk to their life when deployed to deal with public health emergencies”. Under the authority delegated to me as Chair, I approved Danger Pay until 31 December 2020, for a limited group of internationally and locally recruited staff directly involved in the following activities:

- provision of clinical care to patients with confirmed/suspected COVID-19;
- actual screening of patients with suspected COVID-19;
- drawing or processing of potentially hazardous specimens related to COVID-19; and
- handling hazardous or potentially hazardous samples taken at a lab or screening facility.

Those four criteria mentioned above, each provide the basis for Danger Pay related to COVID-19 on their own merit. To further facilitate the organizations’ implementation of Danger Pay under these circumstances, the ICSC secretariat also developed and issued “COVID-19, Frequently Asked Questions” in all languages, in collaboration with WHO, which are posted on our website.

Not only was it essential to protect staff on the frontline, but there was also a need to safeguard the purchasing power of staff as a result of the pandemic. In order to guarantee no reduction in the net take home pay for common system staff in the Professional and higher categories, I approved, under the delegated authority given to me as Chair of the Commission, special measures in net take home pay (in US dollars for Group II duty stations and local currency for Group I duty stations) as of April 2020 until further notice. These special measures have worked extremely well for many duty stations, fulfilling the objective for which they were established. It is expected that these measures will be discontinued when the conditions that led to their establishment no longer exist.

With Daily Subsistence Allowance (DSA) being an essential part of the common system benefit package, we were able to ensure the continuation of the DSA process, including the issuance of monthly reports and circulars. Since the pandemic affected the hospitality industry and the ability to collect data in the field, some DSA surveys have been postponed at the request of duty stations.

In the midst of the pandemic, the ICSC Working Group on the classification of field duty stations according to the conditions of life and work met virtually in June of this year. The working group reviewed hardship classifications and the non-family status of duty stations in the field. As a follow-up to that working group meeting, an additional special meeting was held virtually by the ICSC secretariat in July with a focus on: (i) How to strengthen the overall capacity of the data collection process for the health factor under the ICSC hardship classification process and ; (ii) How to capture the impact of COVID-19 on the conditions of work and life in the field duty stations as it relates to health.

Distinguished representatives,

Since the middle of March, the majority of the Commission's secretariat, like those of most common system organizations, have been working remotely using alternative working arrangements; all meetings and processes have been conducted virtually. While some of the previously scheduled meetings and activities, including our spring and summer sessions, had to be cancelled or delayed, the pandemic did not, however, stop most of the Commission's regular activities although they had to be implemented through different modalities. Through the support of our stakeholders, we were able to have a very special session in that, for the first time we held a Commission session in a hybrid mode, with physical presence of Commission members and other stakeholders in Geneva, and with a virtual connection to those of our normal participants who could not be present physically, either because of travel restrictions or health concerns regarding the COVID-19 pandemic.

Although it was a daunting task to prepare for the session and review the Commission's work in a reduced amount of time, be assured that all issues presented in our annual report were thoroughly discussed and the integrity of our decisions was not compromised.

Let me now turn to some of the major items in the report.

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

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 working group comprised Commission members and representatives of administrations and staff federations of United Nations common system organizations. The goal of the group was to propose modifications to operational rules in order to achieve an optimal balance between competing desirable compensation goals, including accuracy, transparency, simplicity, stability of net remuneration and predictability of its periodic adjustment. The review of the current system of operational rules, was in response to the request of the General Assembly, in its resolution 72/255. The Commission also considered a revised agenda for the forty-second session of the Advisory Committee on Post Adjustment Questions (ACPAQ).

Upon review of the working group's report, the Commission made a number of decisions as contained in its report. In addition, it decided to approve the revised provisional agenda for the forty-second session of ACPAQ as shown in annex VI of the Commission's annual report and requested 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.

Base/floor salary

Adjustments to the unified base/floor salary scale are made on the basis of a comparison of net base salaries of United Nations officials with their counterparts in the United States federal civil service. In order to reflect the 2020 combined effect of the movement of the gross salaries under the General Schedule and the tax changes in the US and to maintain the common system

salaries in line with those of the comparator, the Commission is recommending a 1.90 per cent increase in the United Nations base/floor salary scale, effective 1 January 2021. As is the usual practice, the increase in the base/floor salary scale would be implemented with a commensurate reduction in post adjustment multiplier points, resulting in no-loss/no-gain in net take-home pay.

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. Based on the most recent staff statistics, I am pleased to report that the net remuneration margin for 2020 amounts to 113.0. The details of the comparison and information on the development of the margin over time are provided in the Commission's report.

Children's and secondary dependants' allowances: review of methodology and level

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). 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 these allowances should be revisited. 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 two proposals as regards the methodology. After its deliberations, the Commission *inter alia*, decided to maintain the current methodology for calculating the children's allowance for the time being and also decided 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; and (b) The secondary dependant's allowance be set at \$1,128 per annum. Further details can be viewed in the Commission's report.

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

The Commission completed its 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. As far 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 World Bank had not participated in that study. Thus, the data provided by the study proved to be insufficient for the exercise at hand.

Against that backdrop, the Commission's secretariat proceeded to collect the compensation reference data directly from OECD and the World Bank. The data thus received were then processed and analyzed 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 World Bank by 36.6 per cent. In this context, the Commission would like to point out that 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.

Review of the implementation of recruitment incentives

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 would 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. Information provided by 23 common system organizations indicated that only one organization, UNDP, had made recruitment incentive payments, and only in one case. Accordingly, the

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

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

In 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 General 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 to the common system organizations to which 23 organizations responded and observed that the cost of cash and non-cash rewards in the organizations that had implemented these was below 1.5 per cent of remuneration costs as specified in the ICSC principles and guidelines. Members of the Commission noted that while the individual and team awards were foreseen, bonuses given to all staff were inconsistent with the principles and guidelines. In this regard, the actions by WIPO to remove a so-called organizational performance bonus which had been paid to all staff with satisfactory performance in 2018 was welcome. The Commission also noted that the issue of addressing underperformance was just as important as recognizing and rewarding exceptional performance and, while noting the efforts by some organizations in this regard, urged organizations to make more efforts to address issues of underperformance by holding managers accountable.

Contractual arrangements: a review of the three types of contracts

In 2012, the Commission considered a report on the implementation of the ICSC framework for contractual arrangements which contained three appointment types: continuing, fixed-term and temporary appointments. At the time of its review the Commission clarified that the common system organizations were not required to implement all three types of appointments and could choose any combination that best meet their needs. In response to an ICSC questionnaire in late 2019, in which 23 organizations responded, 19 of the organizations 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. Due to the very disruptive and radical changes in the workforce and as organizations consider the future of work, the Commission was of the view that it would be necessary 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. The working group would make recommendations as needed at the Commission's ninety-second session.

Review of the level of field allowances: Danger Pay and Security Evacuation Allowance

With respect to field duty stations, the Commission reviewed the level of danger pay and Security Evacuation Allowance (SEA).

As regards **danger pay**, the Commission decided to update the level of danger pay for internationally recruited staff to \$1,645 per month, effective 1 January 2021. With respect to locally recruited staff, effective 1 January 2021, to update the monthly level of danger pay by updating the reference year of the salary scales on which the calculations were based, from 2016 to 2019, and applying 30 per cent to the net midpoint of the latest General Service salary scales in effect in 2019, divided by 12.

Regarding the **SEA**, the Commission decided to maintain it at its current level of \$200 per day with respect to staff members, and \$100 per day for each eligible family member, for up to 30 days, and thereafter \$150 and \$75, respectively, for a maximum period of six months. The Commission also decided on a single lump sum shipping element of \$500 applicable when a staff member or his/her family is evacuated.

Both allowances will be reviewed in 2023 in accordance with the established schedule.

ICSC needs assessment

Finally, contained in the Commission's report is an ICSC needs assessment. This is in response to General Assembly resolution 74/255 B in which the Assembly "invites the Commission to carry out a needs assessment for its communication and legal expertise functions within its secretariat ... and

to present proposals in its next report”. This was as a result of a request from the ICSC for additional posts in the fields of communication and law after having introduced changes to the compensation system and after having had to support the defence of numerous lawsuits over the years from staff relating to the decisions and recommendations of the Commission. Further details can be viewed in the Commission’s report.

Mr. Chairman, distinguished members of the Committee,

Let me conclude by thanking you, Mr. Chairman 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. I realize that this year is a particularly difficult year for Member States and organizations as we battle the challenges of COVID-19. Let me emphasize the Commission’s continued commitment to monitor the situation of staff; we remain prepared to take all the necessary steps to ensure that common system staff are protected and provided the conditions of service necessary to continue carrying out organizations’ respective mandates. My secretariat and I will be happy to answer your questions and provide any clarification you may need.

Thank you.