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INTERNATIONAL CIVIL SERVICE
COMMISSION

COMMISSION DE LA FONCTION
PUBLIQUE INTERNATIONALE

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**ITEM 145: UNITED NATIONS COMMON SYSTEM
REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION**

**INTRODUCTORY STATEMENT BY THE CHAIRMAN
OF THE INTERNATIONAL CIVIL SERVICE COMMISSION
MR. LARBI DJACTA
TO THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY
NEW YORK, 16 NOVEMBER 2021**

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

I am pleased to introduce to the Fifth Committee the annual report of the International Civil Service Commission (ICSC) for the year 2021. First, I would like to congratulate you, Mr. Chair, and the other Bureau members on their election and assure you of the Commission's highest regard and best wishes for a successful session. We look forward to interacting with you over the next few weeks and trust that in your able hands a positive outcome will be achieved.

Before turning to all the ICSC activities during the past year, let me first draw your attention to the four decisions/recommendations of the Commission which call for decisions by your Committee as contained in the report before you.

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 2021 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 0.92 per cent increase in the United Nations base/floor salary scale, effective 1 January 2022. 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 2021 amounts to 113.3. The details of the comparison and information on the development of the margin over time are provided in the Commission's report.

Education Grant: Detailed review of the sliding scale and the level of the boarding lump sum

In 2019, the Commission recommended an adjustment to the sliding reimbursement scale and the boarding lump sum under the education grant scheme. However, you may recall that in resolution 74/255B, the Assembly decided to defer the consideration pending a detailed review of the scale and the level of the boarding lump sum, taking into consideration a maximum amount per household. Based on this request the Commission conducted a review of the database of education grant claims covering the 2018/19 academic year, which were analyzed in terms of their distribution by staff location, by education level and by relative share of tuition and enrolment-related fees between headquarters and field locations. The distribution of schools was also examined by the brackets of the sliding scale. In addition, the breakdown of boarding assistance claims by staff location and by education level was reviewed. The education grant claims data were also used to analyze the financial support per household provided by the organizations in order to assess the feasibility of establishing a limit on such support. Practices of other external entities, such as other intergovernmental organizations whose provision of the education-related benefits appeared to be comparable to the common system's education grant scheme, were also examined.

Based on its review and discussions, the Commission decided to report that the revised education grant scheme had been working as intended and was more streamlined, simple and cost-effective than the previous scheme. The Commission is also reconfirming, for implementation as from the academic year in progress on 1 January 2022, its 2019 recommendation to the General Assembly regarding the adjustment to the declining scale for the education grant and the boarding lump sum as presented in its 2019 annual report (A/74/30, para. 85) and reproduced in annex IV to the present report.

Payment of amount in lieu of settling-in grant at category E duty stations that are not designated as non-family

You may recall that in 2018, the Commission decided that a reduced sum of the non-family service allowance, in the amount of \$15,000 per year, could be granted to staff members with eligible dependants at duty stations with hardship classifications of D or E, in lieu of the option to install eligible dependants at the duty station. However, in its resolution 73/273, the Assembly decided to grant, on a pilot basis, an amount of \$15,000 for staff members with eligible dependants in duty stations with E hardship classification conditions only. In that resolution, the Commission was requested to submit a recommendation on that payment, including on its continuation, to the General Assembly at its seventy-fifth session. However, that timeline had to be adjusted, as noted in our 2020 annual report. Following this, in its resolution 75/245, the Assembly decided to continue the pilot

scheme in 2021, on the understanding that the payment would be granted to eligible staff members only when they actually reported to their duty stations, and requested the Commission to submit to the General Assembly at its seventy-sixth session a recommendation on the payment, including on its continuation, based on a review of the impact thereof, including workforce planning, in different categories of duty stations, including non-family duty stations, and the actual cost to the organizations.

In response to the Assembly's request, I am pleased to report today that the Commission found that the implementation of the pilot scheme at category E duty stations that were not designated as non-family was successful and was found to be a useful and effective tool. In that regard, the Commission is recommending that the pilot scheme be formalized and that the reduced non-family service allowance of \$15,000 per annum continue to be payable in lieu of family installation benefits, where applicable and that the measure be expanded to include D duty stations not designated as non-family. The Commission is also requesting its secretariat to continue to monitor the utilization rate of the reduced non-family service allowance and report to it at its ninety-fourth session, with the hope that data from the organizations will help facilitate the further success of this pilot.

I will now turn to an item which has been at the forefront of many discussions throughout the common system during the past few years –

Post adjustment matters

Following a comprehensive multi-year review of the statistical methodology for the compilation of the post adjustment index, guidelines and procedures for data collection and processing, as well as operational rules for the determination of the post adjustment multiplier, the Commission launched a new round of cost-of-living surveys. The comprehensive review was conducted with the active collaboration of representatives of UN common system organizations and staff federations, including experts appointed by them and resulted in several enhancements to the statistical methodology, as recommended by the Advisory Committee on Post Adjustment Questions (ACPAQ) and approved by the Commission. At the same time, the system of operational rules was modified in a manner that ensures higher transparency, stability, and predictability in the adjustment of net remuneration.

The new round of surveys, which was launched with baseline cost-of-living surveys at headquarters duty stations (Geneva, London, Madrid, Montreal, New York, Paris, Rome, and Vienna) and Washington, D.C., provides an opportunity to implement the package of revisions of the methodology underpinning the current post adjustment system, and is expected to lead, inevitably, to the unification of the post adjustment classification of the duty station, Geneva. The modifications in the methodology include a revised list of items and specifications, a re-designed web-based staff expenditure survey questionnaire and other survey instruments, revised procedures and guidelines for data collection and processing and revised guidelines for the selection of retail outlets for price data collection. The revisions of the system of operational rules, *inter alia*, enhance the stability and predictability of salary adjustments, and help limit the growth in the gap between post adjustment and pay indices that sometimes occur in the updating process between surveys for group I duty stations. More information may be found in the report before you.

As mentioned, the baseline cost-of-living surveys are currently underway. In view of the continuing impact of the ongoing COVID-19 global pandemic, the Commission established criteria for the conduct of the surveys and requested local survey committees (LSCs) of the various duty stations to assess them in advance, on the basis of objective information, and to make recommendations regarding the feasibility of conducting the surveys. All LSCs recommended that it was feasible to conduct the surveys as scheduled.

For your information, data collected from the baseline surveys will form 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, unless there is enough evidence of significant changes in expenditure patterns and price structures in these duty stations to warrant the conduct of the surveys earlier. The Commission will report the results of the surveys in 2022.

Comprehensive assessment report on the compensation package for the UN common system

In 2015, the Commission had reported on a revised common system compensation package for staff in the Professional and higher categories. The changes which were implemented were sought to modernize, simplify and streamline the common system compensation system. This year, the Commission conducted a comprehensive assessment of these changes to understand if the reform objectives were achieved. The assessment was conducted in a thorough manner using multiple data sources, including the latest personnel statistics and surveys of both staff and managers of the common system organizations, as well as the most recent education grant claim data.

Overwhelmingly, the organizations found that the new compensation system was more equitable, simple and transparent. Many improvements were noted. The new salary structure was better aligned with the principle of equal pay for work of equal value. The education grant scheme became simpler and more streamlined. The revised field-related compensation components were found to be fit for purpose, incentivizing geographic mobility and service in hardship locations. Overall, the new package was perceived as more effective and sustainable. According to the latest staff survey, the common system workforce continued to be highly engaged. Despite some variations in staff perception about compensation between 2013 and 2019, retention remained unchanged.

Based on the above, the Commission concluded that the overall objectives of the compensation review were met and that the new package appeared to support the organizations in delivering their mandates through their workforce. The Commission constantly strives to make further improvements, as such the fine-tuning of the individual elements of the compensation package will continue.

Mobility Incentive: review of the purpose, effectiveness and efficiency

You may recall that following the review of the common system compensation package, the former mobility allowance was changed to the mobility incentive effective 1 July 2016 and was no longer payable to staff serving at Headquarters duty stations. In resolution 74/255, the Assembly urged the Commission to conduct a thorough review of the purpose, effectiveness and efficiency of the mobility incentive. In response to the Assembly's request, the Commission sought the views of common system organizations on the incentive. The Commission considered the views of the stakeholders and, while recognizing that staff mobility requirements vary according to the mandates,

size, operational needs, programmes and activities of the organizations of the United Nations common system, noted the purpose of the mobility incentive as a powerful tool for enhancing a mobility culture in the common system and decided to review the incentive after five years to re-evaluate the need for such an incentive. The expectation is that, by that time, all organizations in the common system, in particular organizations with a field presence, would have a fully developed mobility culture. Additional details of the discussion and decisions are provided in the report before you.

Measures to address non-compliance with decisions and recommendations of the Commission

In resolution 75/245, the General Assembly had requested that the Commission recommend measures to address non-compliance with the decisions and recommendations of the Commission in the context of its next report. In that same resolution, the Assembly expressed concern at the continued application of two concurrent post adjustment multipliers in the United Nations common system at the Geneva duty station and urged the member organizations of the common system to cooperate fully with the Commission, in line with its statute, to restore consistency and unity to the post adjustment system as a matter of priority. These developments concerning the post adjustment multiplier in Geneva highlighted the existence of two distinct tribunals, one of which did not have an appeals mechanism and had shown how the system could severely hinder the uniform application of the common system. In light of this concern, the General Assembly invited the Commission to comment on a related report (A/75/690) prepared by the Secretary General in his capacity as Chair of CEB. The report was discussed at the ninety-first session of the Commission, in May 2021 after which the Commission sent its comments to the President of the General Assembly and to the Chair of the Fifth Committee. During the discussions within the Commission, while taking note of a number of options that were proposed, members of the Commission underscored the need for improved communication with stakeholders and reiterated the Commission's request for an additional post of Communications Officer. Members further took note of the work undertaken by the Secretary-General in his role as Chair of the CEB regarding the jurisdictional set-up of the common system and confirmed the Commission's willingness to collaborate in the exercise. In that regard, two of our Commissioners were appointed as focal points on a Working Group of the United Nations Legal Advisers Network on the Review of the Jurisdictional Setup of the United Nations Common System. Additional details on this issue can be found in the report before you.

Other items

Finally, in line with its monitoring role, the Commission is reporting on a number of areas within the common system and making recommendations to better improve systemwide. Those areas include age distribution, geographical diversity, gender policies as well as the implementation of decisions and recommendations of the Commission and the General Assembly. Our annual report provides in-depth details on those items.

Mr. Chair, distinguished members of the Committee,

Let me conclude by thanking you, Mr. 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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