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United Nations

Report of the International Civil Service Commission for 2013

General Assembly

Official Records
Sixty-eighth Session
Supplement No. 30

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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.

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[20 August 2013]

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
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
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

Average	Context: United States federal civil service/United Nations system salary comparisons. A single number representing a set of numbers, computed such that it is not smaller than the smallest or larger than the largest number in that set.
Base/floor salary scale	For the Professional and higher categories of staff, a universally applicable salary scale is used in conjunction with the post adjustment system. The minimum net amounts received by staff members around the world are those given in this scale.
Best practice	An innovative policy, strategy, programme, process or practice that has a demonstrated positive impact upon performance, is currently being used by at least one major employer and is relevant and applicable to others.
Comparator	Salaries and other conditions of employment of staff in the Professional and higher categories are determined in accordance with the Noblemaire principle by reference to those applicable in the civil service of the country with the highest pay levels. The United States federal civil service has been used as the comparator since the inception of the United Nations. See also “highest paid civil service” and “Noblemaire principle”.
Competencies	A combination of skills, attributes and behaviours that are directly related to successful performance on the job. Core competencies are the skills, attributes and behaviours which are considered important for all staff of an organization, regardless of their function or level. For specific occupations, core competencies are supplemented by functional competencies related to respective areas of work.
Consolidation of post adjustment	The base/floor salary scale for the Professional and higher categories is adjusted periodically to reflect increases in the comparator salary scale. This upward adjustment is made by taking a fixed amount of post adjustment and incorporating or “consolidating” it into the base/floor salary scale. If the scale is increased by consolidating 5 per cent of post adjustment, the post adjustment multiplier points at all duty stations are then reduced by 5 per cent, thus ensuring, generally, no losses or gains to staff. This method of implementation, referred to as “no gain/no loss”, results in no change in take-home pay for staff and produces no additional costs related to salary for the organizations.
Cost-of-living differential	In net remuneration margin calculations, the remuneration of United Nations officials from the Professional and higher categories in New York is compared with their counterparts in the comparator service in Washington, D.C. As part of that comparison, the difference in cost of living between New York and Washington is applied to the comparator salaries to determine their “real value” in New York. The cost-of-living differential between New York and Washington is also taken into account in comparing pensionable remuneration amounts applicable to the two groups of staff mentioned above.
Danger pay	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.
General Schedule	A 15-grade salary scale in the comparator (United States) civil service, covering the majority of employees.

Group I duty stations	Countries with convertible currencies and where out-of-area expenditures reported by staff members account for less than 25 per cent of the total expenditures.
Highest paid civil service	Under the application of the Noblemaire principle, salaries of United Nations staff in the Professional and higher categories are based on those applicable in the civil service of the country with the highest pay levels, currently the United States. See also “comparator” and “Noblemaire principle”.
Net remuneration	Base/floor plus post adjustment.
Net remuneration margin	The Commission regularly carries out comparisons of the net remuneration of the United Nations staff in grades P-1 to D-2 in New York with that of the United States federal civil service employees in comparable positions in Washington, D.C. The average percentage difference in the remuneration of the two civil services, adjusted for the cost-of-living differential between New York and Washington, D.C. is the net remuneration margin.
Non-family duty stations	Duty stations where the Department of Safety and Security of the Secretariat decides that for reasons of safety and security all eligible dependents are restricted from being present at the duty station for a period of six months or longer.
Noblemaire principle	The basis used for the determination of conditions of service of staff in the Professional and higher categories. Under the application of the principle, salaries of staff in the Professional category are determined by reference to those applicable in the civil service of the country with the highest pay levels. See also “comparator” and “highest paid civil service”.
Pensionable remuneration	The amount used to determine contributions from the staff member and the organization to the United Nations Joint Staff Pension Fund. Pensionable remuneration amounts are also used for the determination of pension benefits of staff members upon retirement.
Performance management	The process of optimizing performance at the level of the individual, team, unit, department and agency and linking it to organizational objectives. In its broadest sense, effective performance management is dependent on the effective and successful management of policies and programmes, planning and budgetary processes, decision-making processes, organizational structure, organization of work and labour-management relations and human resources.
Place-to-place survey	Survey carried out as part of the process of establishing a post adjustment index. It compares living costs between a given location and the base city, New York, at a specified date.
Post adjustment index	Measurement of the living costs of international staff members in the Professional and higher categories posted at a given location, compared with such costs in New York at a specific date.
Post adjustment classification	Classification of a duty station that is based on the cost-of-living index. It is expressed in terms of multiplier points. For example, staff members at a duty station classified at multiplier 5 would receive a post adjustment amount equivalent to 5 per cent of net base salary as a supplement to base pay.

Separation payments	Upon separation from service, staff may receive compensation for one or more of the following: accumulated annual leave, repatriation grant and termination indemnity. Death grant is payable to the survivor of a staff member.
Special pay systems	Under the salary system for the United States federal civil service, staff of some federal agencies or in specific occupational groups may be paid according to pay scales applicable to those agencies or occupations, as appropriate. These pay scales, known as special pay systems, are used, inter alia, in cases of demonstrated recruitment and retention difficulties.
Staff assessment	Salaries of United Nations staff from all categories are expressed in gross and net terms, the difference between the two being the staff assessment. Staff assessment is a form of taxation, internal to the United Nations, and is analogous to taxes on salaries applicable in most countries.

Letter of transmittal

20 August 2013

Sir,

I have the honour to transmit herewith the thirty-ninth 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 this 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*) Kingston P. **Rhodes**
Chair

His Excellency
Mr. Ban Ki-moon
Secretary-General of the United Nations
New York

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	
	A. Conditions of service applicable to both categories of staff
	1. Mandatory age of separation
76	The Commission recommends to the General Assembly that it raise the mandatory age of separation to age 65 for current staff members effective 1 January 2016.
	B. Remuneration of staff in the Professional and higher categories
	1. Base/floor salary scale
82 and annex III	The Commission recommends to the General Assembly, for approval with effect from 1 January 2014, the revised base/floor salary scale for the Professional and higher categories as shown in annex III to the present report.
	2. Evolution of the United Nations/United States net remuneration margin
96 and 97	The Commission reports 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 officials in comparable positions in the United States federal civil service in Washington, D.C., for the calendar year 2013 amounted to 119.6 and its five-year (2009-2013) average margin amounted to 115.7, which was above the desirable midpoint of 115. The Commission will need to implement, in February 2014, the margin management procedure approved by the Assembly in its resolution 46/191, section IV, paragraph 3.
	3. Children's and secondary dependants' allowances: review of the methodology
104 (c) and (d)	The Commission recommends to the General Assembly that the current levels of the children's and secondary dependant's allowances be maintained for the time being. The Commission will keep the methodology to determine the allowances under consideration within the framework of the forthcoming review of the common system compensation package.
	4. Education grant special measures: Belgium
113	The Commission recommends to the General Assembly that, as from the academic year in progress on 1 January 2013, a special education grant measure be introduced for three English-curriculum schools in Brussels, namely, the International School of Brussels, the British School of Brussels and St. John's International School.

Summary of recommendations of the International Civil Service Commission to the executive heads of the participating organizations

Paragraph reference

Conditions of service of the General Service and other locally recruited staff

As part of its responsibilities under article 12, paragraph 1, of its statute, the International Civil Service Commission conducted the surveys of the best prevailing conditions of employment for:

130 and annex V (a) The General Service staff in Paris and recommended the resulting salary scale to the executive heads of the Paris-based organizations, as shown in annex V;

133 and annex VI (b) The General Service staff in Montreal and recommended the resulting salary scale to the executive heads of the Montreal-based organizations, as shown in annex VI.

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

A. Remuneration of the Professional and higher categories

1. Base/floor salary scale

79 The financial implications associated with the Commission's recommendation on an increase of the base/floor salary scale as shown in annex III to the present report were estimated at US$ 95,000 per annum, system-wide.

2. Education grant special measures: Belgium

112 The financial implications for introducing the special measure for Belgium were estimated at US$ 71,000 per annum.

B. Remuneration of the General Service and other locally recruited categories

1. Survey of best prevailing conditions of employment for General Service and related categories in Paris

132 The financial implications of implementing the dependency allowances for the General Service and related categories in Paris-based organizations were estimated at US$ 70,000 per annum.

2. Survey of best prevailing conditions of employment for General Service and related categories in Montreal

134 The annual financial implications associated with the implementation of the salary scales for the General Service and related categories in Montreal as well as the revised dependency allowances were estimated at US$ 334,000.

Chapter I
Organizational matters

A. Acceptance of the statute

1. Article 1 of the statute of the International Civil Service Commission, 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, 14 organizations have accepted the statute of the Commission and, together with the United Nations itself, 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]

B. Membership

3. The membership of the Commission for 2013 is as follows:

Chair
Kingston P. Rhodes (Sierra Leone)**

Vice-Chair
Wolfgang Stöckl (Germany)*

Members
Marie-Françoise Bechtel (France)**
Larbi Djacta (Algeria)***
Minoru Endo (Japan)*
Carleen Gardner (Jamaica)**
Sergei V. Garmonin (Russian Federation)***
Luis Mariano Hermosillo (Mexico)*
Lucretia Myers (United States of America)*
Emmanuel Oti Boateng (Ghana)**
Mohamed Mijarul Quayes (Bangladesh)***
Gian Luigi Valenza (Italy)*
Xiaochu Wang (China)***
Eugeniusz Wyzner (Poland)**
El Hassane Zahid (Morocco)***

* Term of office expires 31 December 2013.
** Term of office expires 31 December 2014.
*** Term of office expires 31 December 2016.

[1] ILO, FAO, UNESCO, ICAO, WHO, UPU, ITU, WMO, IMO, WIPO, IAEA, UNIDO, UNWTO and the International Seabed Authority.
[2] IFAD.

C. Sessions held by the Commission and questions examined

4. The Commission held two sessions in 2013: the seventy-sixth, held at United Nations Headquarters in New York from 25 February to 8 March, and the seventy-seventh, held at IMO headquarters in London from 22 July to 2 August.

5. At those sessions, 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 2014-2015

6. The programme of work of the Commission for 2014-2015 is contained in annex I to the present report.

Chapter II
Reporting and monitoring

A. Resolutions and decisions adopted by the General Assembly at its resumed sixty-seventh session of concern to the Commission

7. At its seventy-sixth session, the Commission considered a note by its secretariat on resolutions and decisions adopted by the General Assembly at its resumed sixty-seventh session relating to the work of the Commission (ICSC/77/R.2). The note highlighted the presentation of the Chair of the Commission of the thirty-eighth annual report of the Commission (A/67/30 and Corr.1) to the Fifth Committee of the Assembly. The Commission was informed that while the Assembly had reviewed all items of the report, in its decision 67/551 it had agreed to maintain the current New York post adjustment multiplier until 31 January 2013, with the understanding that the normal operation of the post adjustment system would resume on 1 February 2013. With regard to the other items, the Assembly, in decision 67/552 A, had deferred consideration of the report of the Commission until its resumed sixty-seventh session in March 2013.

8. At its seventy-seventh session, the Commission considered a note by its secretariat on the resolution adopted by the General Assembly since the Commission's earlier session. The Commission was informed that Member States had shown their support for the review of the common system compensation package, which the Commission had included in its programme of work for the biennium 2013-2014.

9. With regard to the budgetary and financial situation of the organizations of the United Nations common system, Member States were of the view that there was a lack of information relating to the financial situation of the organizations. Therefore, the General Assembly, in its decision 67/553 B, requested the Secretary-General, in his capacity as Chair of CEB, to coordinate the annual compilation of analysis relating to the financial situation of the participating organizations in the common system, including, inter alia, a focus on the budgetary implications of adjustments to all elements of staff costs, both for the most recently completed calendar year and, on the basis of projections, for the subsequent calendar year, and to submit the related report to the Assembly at its sixty-ninth session.

10. On 12 April 2013, the General Assembly adopted, without a vote, resolution 67/257 on the annual report of the Commission. In that resolution, the Assembly, inter alia, noted the decision of the Commission to conduct a comprehensive review of the compensation package for staff in the Professional and higher categories, and requested the Commission, in undertaking the review, to bear in mind the financial situation of the organizations participating in the United Nations common system and their capacity to attract a competitive workforce.

11. The General Assembly also requested the Commission to inform it of the progress, preliminary findings and administrative aspects of the comprehensive review during the main part of its sixty-eighth and sixty-ninth sessions and to report on the final conclusions and recommendations as soon as possible but no later than during the main part of its seventieth session.

12. The General Assembly endorsed the Commission's decision to support the recommendation of the United Nations Joint Staff Pension Board to raise the mandatory age of separation to 65 years for new staff of member organizations of the United Nations Joint Staff Pension Fund, effective no later than 1 January 2014. The Assembly also welcomed the strategic review of the implications of applying the increased mandatory age of separation of 65 years to current staff members, to be undertaken by the secretariat of the Commission in consultation with organizations and staff representatives. It looked forward to considering the outcome of the review at its sixty-eighth session. The Commission noted that the only item that had not been approved by the Assembly was the requested increase in the base/floor salary scale on a no-loss/no-gain basis.

Discussion in the Commission

13. At the seventy-sixth session, the Co-Chair of the Human Resources Network of CEB thanked the secretariat for the update on what had transpired during the sixty-seventh session of the General Assembly, and noted the lack of a decision on a number of issues raised in the report of the Commission for 2012 (A/67/30 and Corr.1) which could have an impact on human resources management in the organizations of the common system. Regarding the issue of increasing the mandatory age of separation for serving staff, the Co-Chair noted that it had been debated under different agenda items in the Fifth Committee and that a number of issues had been raised, including its impact on geographical representation, but that no decision had been taken.

14. The representative of FICSA thanked the secretariat for its presentation and noted that staff worldwide were keenly interested in the ongoing deliberations of the General Assembly. Regarding post adjustment, the Federation expressed its disappointment that the post adjustment system had not been allowed to function normally in accordance with the methodology that the Assembly had agreed on.

15. The representative of CCISUA said that it was reassuring that Member States recognized the value of the Commission's expertise, but expressed concern that there was insufficient focus on basic principles such as the Noblemaire principle, which ensured competitiveness of United Nations remuneration without resorting to comparison with the private sector. She requested that the Commission stress the technical aspects of the comparison required by the application of the Noblemaire principle in order to ensure that there was an understanding of the need to attract the best and the brightest to tackle the enormous international problems faced by the United Nations. The representative further expressed concern about the deferral of consideration of other items in the Commission's report.

16. The representative of UNISERV supported the statements made by the representatives of FICSA and CCISUA and expressed disappointment over the lack of a decision regarding issues in the Commission's report, particularly those concerning education grant, the mandatory age of separation and danger pay.

17. Members of the Commission enquired about the general trend of the debate in the Fifth Committee that had led to a deferral of decisions on certain items of its report. They also requested clarification on the possible effect of the decision of the General Assembly on the programme of work of the Commission. In response, the Executive Secretary briefed the Commission on the deliberations of the Committee. She informed the Commission that Member States had requested additional

information from the secretariat throughout the debate. They had decided, however, to continue their deliberations on the annual report of the Commission at the first part of the resumed sixty-seventh session of the Assembly.

18. At the seventy-seventh session, the members of the Commission expressed satisfaction that most of the recommendations contained in the report of the Commission had been accepted. The Commission members noted that the Assembly had adopted the Standards of Conduct for the International Civil Service without changes. They pointed out that the Standards should be made available in all official languages of the United Nations organizations.

Decision of the Commission

19. The Commission decided to take note of General Assembly decisions 67/551 and 67/552 A and resolution 67/257.

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

20. Under article 17 of its statute, the Commission submits to the General Assembly information on the implementation of its decisions and recommendations. The Commission considered implementation by organizations of its recommendations made in 2011 and 2012. It had before it information from 24 organizations relating to danger pay, mobility, hardship and non-removal allowances, harmonization of conditions of service for staff serving in non-family duty stations, contractual arrangements, education grant (see annex II to the present report), local salary surveys and performance management.

21. In addition, the Commission was informed about decisions taken by the governing bodies of IMO and FAO after the document had been prepared by the ICSC secretariat. At its 110th session, held in London from 15 to 19 July 2013, the International Maritime Council had decided as follows:

> 4 (a). Following a proposal made by the United States, the Council instructed the Secretary-General to convey to the ICSC and the United Nations General Assembly, the Council's views on the impact of rising staff costs on the Organization's financial sustainability and the need to exercise greater vigilance with regard to increases in staff costs across the United Nations common system, particularly within the context of the on-going comprehensive review undertaken by the ICSC. It also instructed the Secretary-General to ask the ICSC and the United Nations General Assembly to consider taking immediate action to alleviate these budgetary pressures.

At its thirty-eighth session, held in Rome from 15 to 22 June 2013, the Conference of FAO had adopted the following text:

> In stressing the importance of efforts to reduce increases in staff costs of the Organization, the Conference recognized that most of FAO staff benefits and entitlements were determined under the United Nations Common System and were approved by the International Civil Service Commission (ICSC)

and/or the United Nations General Assembly in New York. The Conference appealed to the ICSC and the General Assembly, and likewise urged the Director-General to make a similar appeal, to consider the need for greater vigilance with regard to increases in staff costs across the Common System, particularly within the context of the on-going comprehensive review being undertaken by the ICSC.

Discussion in the Commission

22. The Human Resources Network noted the information contained in the document. The representative of FICSA expressed concern about the increasing pressure on the independence of ICSC as enshrined in its statute. The FICSA representative stated that while it was clear that the Commission did not function in a vacuum and that each organization had a system of checks and balances, there was an increased focus on staff costs which created an imbalance. All three staff federations pointed out that they were concerned that the implementation of contractual arrangements was uneven among the organizations and that not all organizations had implemented all three contract types.

23. The Commission expressed satisfaction with the level of detail contained in the document and the considerable effort that had been made to acquire and reproduce the information. It hoped that such in-depth briefing would continue in the future. The Commission took note of the decisions taken by the governing bodies of FAO and IMO and discussed what they meant for its work. It agreed to take those decisions into account in its deliberations on the other matters before it.

Decision of the Commission

24. The Commission decided to take note of the report.

Chapter III
Conditions of service applicable to both categories of staff

A. Review of the common system compensation package

1. Seventy-sixth session

25. At its seventy-sixth session, the Commission, in accordance with its decision to include the matter in its 2013-2014 programme of work, commenced a review of the common system compensation package. The Commission was provided with an overview of the elements in the present compensation system, along with their rationale and basis for payment, to assist in its consideration of the issue.

Discussion in the Commission

26. The Human Resources Network stated that it fully supported the project, pointing out that the proposed review came at an opportune time when organizations were in the process of implementing change. It felt that it was crucial to aim at developing a compensation system based on a holistic approach that took a long-term perspective and was not driven by the immediate financial situation. If the United Nations was to be a modern and attractive employer, it should look to develop a package that would last well into the future. Such a package should be transparent and simple to administer and understand while being competitive. It was felt that cost reductions could be obtained through simplification of the system. The Network expected a robust and collaborative engagement with the Commissioners and the ICSC secretariat so that all organizations could contribute in line with their expertise and comparative advantage. In its view, this critical initiative would continue to strengthen the United Nations common system to be a global employer of choice with an engaged workforce that could deliver on the organizations' mandates in increasingly challenging contexts.

27. FICSA welcomed the fact that the study's starting point was Article 101 of the Charter of the United Nations, specifically the need to secure the highest standards of efficiency, competence and integrity. It considered that the review provided an opportunity to examine the various contractual arrangements, including those applicable to those designated as non-staff. A competitive, fair, simple and effective compensation package was in the interest of all. It was even more important to ensure its long-term sustainability for the future generations of staff. In that respect, safeguarding fundamental components related to social protection, pensions and health insurance was of fundamental importance. FICSA believed that work of such magnitude and scope should be pursued through the establishment of working groups, steering committees and panels, as necessary.

28. CCISUA, speaking also on behalf of UNISERV, expressed the hope that a working group composed of all parties would set rational parameters for the compensation package review. It stressed that staff costs led to effectiveness in a knowledge-based system such as the United Nations, and should be viewed not just as a cost to the organizations, but more as the efficient means to support an organization's raison d'être. Contractual security and competitive salaries were critical components to attract a high-calibre staff with a wide geographical representation, as were solid pensions and a strong support network including medical coverage, appropriate schooling for children and sufficient support for the

family. The two bodies were looking forward to a constructive and open dialogue and to helping to set the terms of reference for a working group to consider the many elements involved in the review.

29. The Commission noted that the present compensation system had remained, for the most part, unchanged over a number of decades. The individual elements that comprised the present system were reviewed independently of each other and at varying periodicities. To avert the risk of fragmentation in such a system, a holistic review of all the elements and any interdependencies was called for.

30. It was agreed that the underlying philosophy of the compensation package should be grounded in the principles emanating from the provisions of Article 101 of the Charter, namely, the independence of the international civil service and the need for the organizations to secure staff with the highest standards of efficiency, competence and integrity, with due regard to geographical distribution and gender balance. Beyond that, given the interest in a holistic review, there were bound to be differing expectations from the various stakeholders of the specific areas for review. It would therefore be critical, from the outset, to have a common understanding of the scope, goals and modalities of the review. Furthermore, some elements of the review were bound to touch upon aspects covered in the review of the framework for human resources management. Coordination on those aspects would therefore be necessary to ensure coherence.

31. The Commission considered that attributes of, and the approach to, a revised system should be as follows:

(a) A new compensation system should support the delivery of the organizations' mandates and should:

(i) Be competitive;

(ii) Be fair and equitable;

(iii) Be transparent;

(iv) Be simple in design, easy to administer and easily understood by staff and stakeholders;

(v) Reward excellence and manage underperformance;

(b) The new system should be cohesive at its core, but should allow for some flexibility to meet the specific needs and challenges facing the organizations, particularly with regard to diversity, specialized occupations or hard-to-obtain skills;

(c) Upon implementation, the new system should be premised on overall cost containment and be sustainable going forward;

(d) The review would commence with the Professional staff and then be expanded to the National Professional Officer and General Service categories;

(e) While the assumption was that the new system would apply to all staff recruited on or after its date of promulgation, the applicability to existing staff would be considered later, taking into account acquired rights.

32. Given that the attributes and approach as outlined above would necessarily be broad at the current early stage, a detailed workplan for conducting the review would need to be formulated. In that regard, it was proposed that a contact group be

established comprising some members of the Commission and representatives of the organizations and three staff federations, supported by the Commission secretariat.

Decisions of the Commission

33. The Commission decided to:

(a) Proceed with the review of the common system compensation package on the basis of the attributes and parameters outlined in paragraph 31 above;

(b) Establish, immediately following the completion of its seventy-sixth session, a contact group comprising Commission members, three co-chairs of the Human Resources Network and three representatives of the staff federations, and supported by the ICSC secretariat, to develop a detailed workplan for the review of the common system compensation package so that the initial phase of the work could commence before the seventy-seventh session.

2. Seventy-seventh session

34. At its seventy-seventh session, the Commission continued its review of the United Nations compensation package and had before it three documents prepared by the ICSC secretariat, which:

(a) Highlighted the role of the compensation philosophy as the basis for structuring pay for the common system within the ICSC framework for human resources management, including the performance management framework;

(b) Explored external practices and typical approaches to constructing expatriate pay packages and the current trends in expatriate compensation, outlining the compensation packages of selected national and international organizations;

(c) Examined the applicability of those trends and practices to the common system.

35. The Commission also considered the progress of the work done so far as well as a plan for moving forward on the compensation review.

Discussion in the Commission

(a) Expatriate pay philosophy, external practices and their applicability to the common system

36. It was observed that, since compensation was a major vehicle for the motivation and engagement of staff, it played a significant role in aligning staff behaviours and sending a consistent message regarding what was valued within the common system. Therefore, designing a remuneration system that would reflect and promote the values of the common system was one of the major challenges going forward. Reflecting organizational values and their underlying principles (specifically, actual and perceived fairness, transparency and the creation of a trusting and enabling working environment) could best be achieved if a linkage was formed with the frameworks for human resources management and performance management from the early stages of the review process.

37. The Commission noted that a majority of outside employers with expatriate employees used a balance sheet approach which aimed at guaranteeing the same living standard for their employees during overseas assignments as at their home

base. While a typical balance sheet approach consisted of a home-base pay, a cost equalization mechanism and additional premiums to provide incentives for mobility and service in hardship locations, many employers were modifying the traditional approach in light of the changing economic realities and global labour market trends. Given an enlarged pool of well-educated and mobile talent in emerging markets and the entrance into the global workforce of new generations with diverse career expectations, the current trend in expatriate compensation was for employers to administer multiple pay packages stratified by the length and type of assignment and to align the employee value proposition with the business and operational needs of employers.

38. The Commission reviewed a comparison of certain elements of the common system pay package, including several which were often perceived as problematic, with those of a selected number of national and international employers. The elements included the basic pay structure, intent and eligibility criteria of allowances and adjustment methods. The comparison showed that while the pay structures of the outside organizations had basic commonalities with those of the common system, they differed significantly in terms of the setup of individual allowances and benefits as well as the adjustment mechanisms and flexibilities provided.

39. It was noted that while some of the external expatriate pay practices should be considered for application in a revised common system compensation package, the unique character of the international civil service should not be overlooked in the process. Moreover, it was believed that some of the approaches and assumptions used in the comparison needed to be validated in a broader comparison sample of organizations with operations comparable to those of the common system organizations and employers from various geographic regions.

40. The Commission also noted that the external expatriate pay packages used for the comparison were not markedly simpler than that of the common system. Furthermore, many of the elements, especially in international organizations, were similar in substance and intent. It was pointed out, however, that while a certain degree of complexity was inevitable in any global compensation system, simplification should remain one of the goals of the review, as should equity, cost control and other attributes. The importance of the ability of all stakeholders to understand the system was stressed by many participants and, in that regard, the role of appropriate communication and education strategies was emphasized.

41. Some members referred to a new segment of population entering the global workforce in the coming years. That group had a distinct demographic profile, including work-life priorities, career expectations, propensity to be mobile and other aspects, all of which needed to be carefully weighed in a modernized compensation package.

42. Representatives of some organizations stressed that the common system compensation package lacked the flexibility that would allow them to attract qualified candidates and properly encourage mobility, especially to hardship locations, prerequisites for delivering their mandates. Some specific examples were cited, such as the inability of WHO to compete for high-calibre medical professionals, the need for UNICEF to relocate staff with advisory and advocacy skills that were in demand in many locations, or recruitment by ITU of experts in a

cutting-edge industry. The organizations hoped that the current review would provide them with a window of opportunity to recruit through varying packages.

43. The Commission considered that the information provided on external expatriate pay practices was a useful reference base and, together with the views expressed, should be borne in mind by the appropriate working groups.

(b) Review outline and modalities for further activities

44. The Commission then turned its attention to the proposals of the contact group established after the seventy-sixth session, relating to the plan of further activities for the review of the United Nations compensation package.

45. The Human Resources Network considered that the review was a challenging change management endeavour that required consistent and frequent communication to executive heads and all levels of staff, and that a necessary prerequisite for such communication was sufficient clarity around objectives, approaches and possible outcomes of the review. In that context, the Network expressed concern that the tight timeline for such a complex review might turn out to be too ambitious and that solely focusing on reaching agreed milestones on time might compromise the quality of the outcome. It stressed the importance of carefully defining and continuously managing the project scope.

46. FICSA shared the concerns of the Network regarding the short timeline of the review given its extremely ambitious scope. It suggested that the Commission should take the future impact of its outcome into account and stressed that an inclusive approach be taken, with staff federations being fully informed and consulted throughout the entire process. The representative of CCISUA cautioned that the review should not be undertaken with a short-sighted approach or by focusing only on the costs of programme delivery. Staff should be recognized for their dedication and be compensated accordingly. In her opinion, compensation practices outside the common system would not be able to grant recognition to the unique character of a United Nations career. She also stressed that the data collected for the review should be solid, accurate and well considered. The representative of UNISERV pointed out that eroding conditions of service of staff would be detrimental to the ability of the United Nations to fulfil its mandates and hoped that the compensation review would not be conducted solely as a response to the global financial conditions. He emphasized the necessity to respect the acquired rights of the staff and to ensure that the United Nations continued to provide the appropriate level of social benefits.

47. Several members of the Commission shared the concerns of the organizations and staff about the tight deadline of the project as established by the General Assembly, given its broad scope. They felt that the Assembly should be aware of those concerns. The Commission appealed to all parties involved to do their utmost to contribute to timely implementation of the project activities while at the same time ensuring that the quality of outcomes would not be compromised.

48. The Commission noted that some significant developments relating to the review had occurred since its previous session. In particular, the General Assembly had adopted resolution 67/257, in which it had requested the Commission to bear in mind the financial situation of the organizations of the common system and their capacity to attract a competitive workforce.

49. The Commission's attention was also drawn to communications to its Chair from the governing bodies of FAO and IMO, in which they urged the Commission to consider the need for greater vigilance with regard to increases in staff costs within the context of its ongoing comprehensive review. Those developments needed to be duly taken into consideration.

50. Having reviewed the attributes and goals endorsed at the previous session (see paras. 31 and 32 above), the Commission considered it appropriate to summarize and complement them in the following mission statement:

- The objective of the review of the common system compensation package is to ensure the continued ability of the organizations to effectively deliver their respective mandates on the basis of the guiding principles and provisions of the Charter of the United Nations and within the framework of the common system.

- The review aims at a compensation system that, without prejudice to the overall cohesion of the common system, will provide the organizations with a degree of flexibility in applying the compensation package. Compensation should attract and retain the best combination of talents, competencies and diversity. The revised system should also promote excellence and recognize performance.

- The review should focus on the creation of a coherent and integrated system that is streamlined, transparent and cost-effective. Allowances would be targeted to drive organizational excellence through motivation and engagement of staff. Further, the revised system would allow Member States, organizations and staff to understand the structure, processes and outcomes. Finally, the revised system would offer the stability and predictability necessary for cohesion with the programming and budgeting process.

- ICSC, as requested by the General Assembly in its resolution 67/257, in undertaking the review, shall bear in mind the financial situation of the organizations participating in the common system and their capacity to attract a competitive workforce.

51. Regarding the scope of the review, it was agreed that all elements of remuneration, including salaries, post adjustment, allowances and other conditions of service as well as other human resources management elements under the ICSC mandate should be included to ensure a holistic analysis of the system. It was noted that the review could have implications in some areas outside the Commission's authority, such as pensions, insurance, etc. In those cases, resulting linkages would need to be flagged to the respective authorities so that they could take appropriate action.

52. Regarding the project modalities, the Commission agreed that the detailed consideration and analysis of issues should be implemented by working groups consisting of ICSC members, with full participation of the organizations and staff representatives. The working groups would conduct substantive analysis, develop recommendations and report their findings to the Commission. This would be followed by assessment of the implications of the proposed arrangements.

53. The Commission agreed that three working groups would be established, which would focus on the following themes: the remuneration structure including

post adjustment; competitiveness and sustainability; and performance recognition and other related human resources matters. The working groups would report on their progress and proposals to the Commission. The proposals would then be integrated into a revised compensation package. The modus operandi of the working groups should ensure information-sharing among them so that their deliberations would produce coherent and consistent outcomes.

54. The Commission recalled that the General Assembly, in its resolution 67/257 on the United Nations common system, had requested the Commission to report on the progress, preliminary findings and administrative aspects of the comprehensive review. While every effort had been made during the current biennium to redistribute available resources to meet the additional project-related requirements, it had become apparent that the scope of the comprehensive review had placed a significant extra burden on the Commission's administrative and operational capacity. The Commission wished to inform the General Assembly that, for the forthcoming biennium 2014-2015, it considered that in order to deliver the necessary depth of analysis requested by the Assembly, it would need to obtain the dedicated services of a project manager, purchase external data and have access to resources for the travel of Commission members and secretariat staff to working groups meetings.

55. The Commission requested its Chair and Vice-Chair to ensure that executive heads of common system organizations and staff federations as well as Member States were duly apprised of the process and would have an opportunity to provide their feedback.

Decisions of the Commission

56. The Commission:

(a) Took note of the information on external expatriate pay practices, with the understanding that it would be used as reference material at the stage of designing a revised system;

(b) Endorsed the review outline and modalities for further activities as stated in paragraphs 48 to 54 above;

(c) Decided to establish three working groups to consider the following themes:

(i) Remuneration structure;

(ii) Competitiveness and sustainability;

(iii) Performance incentives and other human resources issues.

B. Mandatory age of separation

57. At its seventy-fifth session, the Commission reviewed the mandatory age of separation within the United Nations common system, currently set at age 60 for staff members who joined the Pension Fund prior to 1 January 1990 and 62 for staff members who joined on or after that date, and decided to support the recommendation of the United Nations Joint Staff Pension Board to raise the

mandatory age of separation to age 65 years for new staff of member organizations of the Pension Fund, effective no later than 1 January 2014.

58. It further requested its secretariat to work with organizations and staff representatives to prepare a strategic review of the implications of applying the increased mandatory age of separation to current staff members. In its resolution 67/257, the General Assembly endorsed the decision of ICSC and welcomed the strategic review.

59. At the seventy-seventh session, the ICSC secretariat presented a document providing a historical perspective on retirement practices in some Member States. The document stated that globally the general trend was to increase the age of retirement. It cited changes in the laws of various countries related to retirement age, specifically to prevent age discrimination, forbidding employers from ending employment based solely on the attainment of a specific age. Many national Governments had amended their retirement schemes and introduced human resources management reforms to facilitate longer working lives, taking into consideration the better health and increased vitality of older people. Extending the length of working lives had increasingly become the common public policy response to the economic and social pressures which had been created by ageing populations. In some countries, government initiatives had focused on having employers create opportunities for older workers to delay retirement and investing in the employability of older workers. Examples of increased separation age were also drawn from the private sector and other international organizations.

60. In addition, the document pointed to various recommendations from United Nation entities, encouraging the continued employment of older persons. As early as 1980, ILO had recognized the importance of eliminating age discrimination in the workplace. In its Recommendation No. 162 concerning older workers, the General Conference of ILO had advocated measures to facilitate extended working lives and engagement with social partners to implement such measures. The Second World Assembly on Ageing, held in Madrid from 8 to 12 April 2002, had addressed the issue of sustainable work for older people, explicitly rejecting the idea that older workers who delayed retirement inhibited the employment of younger workers and noting that barriers which restricted older persons' work opportunities deprived society of their energies and skills.

61. Raising the mandatory age of separation to 65 for existing staff would result in cost savings. The consulting actuary of the United Nations Joint Staff Pension Fund had estimated that providing this option to current staff would result in a further reduction in the actuarial deficit in the range of 0.13 per cent of pensionable remuneration, further enhancing the Fund's long-term sustainability. The estimated savings were based on an assumed utilization rate of 70 per cent. Some savings could also be attained by organizations in the form of deferred recruitment costs.

62. With respect to the implications for human resources issues, such as performance management, rejuvenation of the workforce, gender and geographical balance, it was concluded that well-targeted human resources policies would be the most appropriate response.

Discussion in the Commission

63. The Network expressed surprise at the Commission’s approach to discussing the application of the mandatory age of separation to existing staff. The recent decisions to increase both the normal age of retirement and the mandatory age of separation for new staff members in a complementary manner had been taken precisely as remedies for challenges to the long-term financial sustainability of the Pension Fund induced by globally increasing life expectancy. The present work of the ICSC secretariat did not provide a rationale why organizations should move away from a widely harmonized and well-working practice in the light of the recently taken consensual and balanced agreement.

64. At present, many organizations were making unavoidable efforts for organizational review and redesign in order to contain costs and at the same time ensure an influx of required new critical skills in a number of professional domains. The decision that was recommended in the secretariat’s document would clearly jeopardize those efforts and potentially induce significant additional cost for buyouts. The Network also noted that Member States in the governing bodies of several specialized agencies had already decided on the subject or were about to take a decision. The decisions taken by WHO and ITU to maintain the current mandatory age of separation for existing staff confirmed the analysis of the Human Resources Network that maintaining the status quo for existing staff while amending the provisions as agreed for new staff was on balance the most suitable approach given the current realities of its members. Any other recommendation from the Commission could lead to reduced harmonization among common system organizations and unnecessarily add administrative complexity.

65. Human Resources Network members expressed disappointment about the quality and pertinence of the analysis, which in its view did not substantiate the conclusions made in the report. The Network stressed the point that there was no substantiated consideration of the direct and indirect financial implications of such decisions. Therefore, the report would not provide a strong enough basis for the Commission to take decisions of such a fundamental nature. The Human Resources Network, representing the Executive Heads of its member organizations, was unanimous in the rejection of the recommendation contained in the secretariat’s document. It recommended that, if the Commission wished to pursue the matter, it should request the secretariat to undertake further analysis in consultation with the organizations. Any recommendation to change the retirement age of existing staff had to be consensual, planned and phased and should not impinge on employment contracts that had already been agreed by two parties — the employer and the employee.

66. The three staff federations, FICSA, CCISUA and UNISERV, welcomed the report and the final analysis and recommendations, finding the reasoning very balanced and solid. They recalled that the two surveys undertaken in 2011 by the staff federations had found that approximately 50 per cent of current staff would like to be given the option to continue their service beyond the current mandatory age of separation, as would be applicable to new staff joining the organization on 1 January 2014. The federations maintained their position that the mandatory age of separation for current staff should increase to 65 years of age provided that the acquired rights to retire at 60 and 62 were preserved.

67. The federations observed that an increase in the mandatory age of separation for all staff on an equal basis, without discretionary decisions by organizations, would place the United Nations in a situation similar to national Governments. They therefore appreciated the conclusion that had emerged from the Commission's deliberations at its sixty-ninth session, that the decision to continue in employment should be the staff member's choice rather than at the discretion of the executive head, as the latter created a kind of "end-of-career probationary period" which did not support a fair and transparent performance management process. The federations expressed surprise that some organizations had taken a decision in advance, pre-empting the views of the General Assembly, which in its resolution 67/257 had unambiguously stated that it welcomed the strategic review being undertaken by the Commission in consultation with organizations and staff representatives.

68. Extending the option for a later mandatory age of separation to currently serving staff would ensure that experienced staff could continue to provide their expertise and experience to their organizations and to contribute to the health of the Pension Fund. As had been noted in the report, the mandatory age of separation was not an appropriate tool for addressing human resources issues such as performance problems or geographical distribution. Those should be addressed by proper organizational planning, appropriate training and clear recruitment, reassignment and promotion policies. The presence of succession planning mechanisms across the organizations was considered a sine qua non for effectively addressing the challenges facing the system. The fact that such systems had not been put in place raised serious questions as to whether increasing the mandatory age of separation alone would have the intended impact. The federations hoped that the Commission would impress upon the General Assembly that there was a paramount need for strategic thinking on human resources management, particularly in the area of staff development, career and succession planning.

69. The federations considered that any perceived negative consequences of increasing the mandatory age of separation would be outweighed by the positive aspects, in particular the beneficial impact on the sustainability of the Pension Fund and the after-service health insurance scheme. They further considered that extending the mandatory age of separation to 65 would result in a significant reduction of extended retiree contracts and retiree consultants in the system.

70. In the course of the deliberations, Commission members observed that many States had increased the age of retirement to 65 and beyond and that some, for instance the United States of America, had abolished it completely. The Commission considered that given the changing global demographics and the profile of the population, the United Nations common system could not continue to go against the worldwide trend of raising the retirement age. The Commission remarked that many persons continued to be very productive and active after age 65 and that the ability to learn did not decline with age. The Commission further noted that those civil services and private sector entities that had increased the age of separation, or as in some cases abolished it, had not suffered from doing so.

71. The Commission noted with surprise that, as reported by the Human Resources Network, some governing bodies had already taken a decision on the mandatory age of separation for current staff prior to the Commission's discussion and recommendation, taking into consideration the General Assembly's resolution. Organizations were asked if the administrations had communicated and explained

the General Assembly's resolution to their governing bodies and if they had been informed that the Commission would be discussing the issue at its seventy-seventh session. One organization whose governing body had already taken the decision responded that the governing body had had full information before it took the decision not to apply an increased mandatory age of separation to existing staff members. The timing with regard to placement on the agenda was the only one practicable in order to accommodate implementation of the General Assembly's resolution on the mandatory age of separation for staff entering the United Nations from 1 January 2014 onward.

72. The Commission was not convinced that leaving the mandatory age of separation for current staff unchanged would speed up organizational restructuring in the areas of human resources management. It considered that human resources issues such as performance management, rejuvenation of the workforce and gender balance should be addressed through the appropriate avenues. The Commission noted that the average age of recruitment had stood for many years at 40 plus years of age and that many staff members were rehired after their mandatory age of separation. Furthermore, if for example a P-5 post became vacant, it was unlikely that it would be filled by a young person. The Commission observed that the attainment of gender parity had eluded most United Nations organizations for many years and that it was unlikely that this would be resolved by way of the mandatory age of separation. Gender balance had to be addressed by recruiting more women and instituting appropriate policies for retaining them. Performance issues had to be dealt with over time. It was not practical for managers to wait until the staff member had reached his/her separation age before addressing incidences of non-performance or underperformance. The Commission maintained that organizations had missed a unique opportunity at the time of implementation of the contractual framework which had been approved by the Commission in 2005 and endorsed by the General Assembly. If applied as intended, the fixed-term contract would have provided organizations with the opportunity for terminating a contract at the expiration date for various reasons, including poor performance.

73. The Commission was concerned that organizations had not put forward, in a clear and comprehensive manner, their planned strategic directions showing the vital role to be played by maintaining the current age of separation. Commission members expressed interest in knowing the number of posts that would become vacant in the near future owing to staff retirements, recruitment plans that were in place, the expected impact on programmes and the level of interest among staff in remaining beyond their current mandatory age of separation.

74. Some organizations responded to the Commission's remarks and questions by providing data and the profile of the staff expected to retire during the next two to five years. It was stated that in most cases among staff in the Professional category who were due to retire, men outnumbered women. That provided organizations with an opportunity to fill more posts with women. The organizations were fully cognizant of the fact that for recruitment the primary consideration was always the best qualified candidate. Many organizations also informed the Commission that they were in the process of restructuring and that the number of retirements provided an opportunity for reprofiling.

75. In its conclusion the Commission acknowledged that the matter was a complex one but considered that it had to be recognized that longevity had increased

significantly and many staff members continued to be very productive and had the skills to work well beyond the age of 60 or 62. It agreed that in taking a decision on whether or not to extend the mandatory age of separation for current staff, due consideration had to be given to organizations' readiness given their budgetary and strategic plans. After consideration of all the points made, the Commission agreed that the mandatory age of separation should be extended to 65 for current staff. In order to allow organizations time to implement the change, the effective date would be 1 January 2016, with the understanding that the decision would have no effect on the acquired rights of current staff.

Decision of the Commission

76. The Commission decided to recommend to the General Assembly that it raise the mandatory age of separation to age 65 for current staff members effective 1 January 2016.

Chapter IV
Conditions of service of staff in the Professional and higher categories

A. Base/floor salary scale

77. The concept of the base/floor salary scale was introduced, with effect from 1 July 1990, by the General Assembly in section I.H of its resolution 44/198. The scale is set by reference to the General Schedule salary scale of the comparator civil service, currently the United States federal civil service. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials at the midpoint of the scale (P-4, step VI, at the dependency rate) with the corresponding 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). The adjustments are implemented by means of the standard method of consolidating post adjustment points into the base/floor salary, that is, by increasing base salary while commensurately reducing post adjustment.

78. The Commission was informed that the comparator civil service's pay freeze, originally introduced with effect from 1 January 2011 to 31 December 2012, had been extended to 31 December 2013. As a result, the gross levels of the General Schedule of the comparator had not changed from the levels in 2010. However, slight changes in the federal tax schedule had occurred as of 1 January 2013, reflecting a revised tax rate schedule and amounts for personal exemptions and standard deductions. Therefore, despite the pay freeze, the aforementioned tax-related changes had resulted in an increase of 0.19 per cent, in net terms, in the reference comparator pay level as compared with the net base salaries of United Nations officials at the midpoint of the salary scale effective 1 January 2012. That increase included the increase previously recommended by the Commission of 0.12 per cent, as of 1 January 2013, on which the General Assembly had not taken action (resolution 67/257, sect. B).

79. On the basis of the considerations set out above, the annual system-wide financial implications resulting from the proposed base/floor salary increase are estimated as follows:

	United States dollars
(a) For duty stations with 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	95 000
Total	**95 000**

Discussion in the Commission

80. The Human Resources Network supported the recommendation to adjust the base/floor salary scale resulting from United States tax changes. The representatives of FICSA, CCISUA and UNISERV also concurred with the recommendation.

81. The Commission observed that the proposed adjustment of the base/floor salary scale was in line with the established methodology, noting that the adjustment would be implemented by increasing base salaries by 0.19 per cent while commensurately reducing post adjustment multipliers. There was currently no duty station with post adjustments below the levels required to absorb the slight proposed increase in the base/floor salary scale. As a result, there would be no change in net take-home pay at any duty station. The system-wide financial implications would be limited to the revision of the separation payments schedule, and such implications would be relatively small owing to the minimal movement of the scale.

Decision of the Commission

82. The Commission decided to recommend to the General Assembly, for approval with effect from 1 January 2014, the revised base/floor salary scale for the Professional and higher categories as shown in annex III to the present report, reflecting a 0.19 per cent adjustment implemented by increasing the base salary and commensurately reducing post adjustment multiplier points, resulting in no change in net take-home pay.

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

83. Under a standing mandate from the General Assembly, the Commission continued to review 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 annually tracks changes occurring in the remuneration levels of both civil services.

84. The statutory pay freeze introduced in the United States federal civil service for the period beginning on 1 January 2011 and ending on 31 December 2012 had been extended through the end of December 2013. As a result, no general or locality pay increase had been granted to comparator federal employees in the Washington, D.C., area in 2013.

85. Also relevant to the comparison were the following:

(a) The revision of federal tax brackets and standard and personal deductions which resulted in a slight reduction of overall income taxes for all taxpayers in the Washington, D.C., metropolitan area;

(b) A post adjustment multiplier of 65.5 for January and a multiplier of 68.7 for February through December 2013. The multipliers were based on the current net base/floor salary scale that became effective on 1 January 2012;

(c) The matrix of grade equivalencies between the United States federal civil service and the United Nations common system approved by the Commission in 2010 at its seventy-first session;

(d) A cost-of-living differential between New York and Washington, D.C., estimated at 111.6.

86. On the basis of the above, the Commission was informed that the margin for 2013 amounted to 119.6 and its five-year average (2009-2013) amounted to 115.7. The details of the comparison are shown in annex IV to the present report.

87. The Commission's attention was drawn to developments in the United States federal civil service with regard to the introduction of new pay systems for doctors in the Departments of Defense and Health and Human Services. Most of the comparator's doctors were now covered by the new pay plans and the number of doctors under the General Schedule had gone down. In addition, the grade equivalencies for doctors under the Department of Veterans Affairs pay system were no longer valid as a result of changes that had taken place in that pay system. As a result, doctors under the Department of Veterans Affairs pay system were excluded from the margin calculation.

88. The developments reported above meant that at present only a small proportion of doctors in the United States federal civil service was used in the calculation of the net remuneration margin. While the reported level of the margin for 2013 excluded the data for doctors under the new pay systems, it was possible to include such data on the basis of the grade equivalencies established for doctors under the General Schedule, if the Commission so decided.

Discussion in the Commission

89. The representative of the Human Resources Network noted the variability of the margin depending on the occupations included in the calculation and also took note of the margin management procedures in 2014. The representative of FICSA, having noted that both the current and the five-year average margin levels were standing below the 120 level, expressed the opinion that the equivalency comparison should address all comparable positions including those of United States federal physicians. He also argued that recent data from the Office of Personnel Management showed that the comparator's average salaries had increased over the last biennium, despite the pay freeze. That would confirm the view of FISCA that the exclusion of some elements of pay, such as performance-based bonuses, was unduly inflating the margin level. The representative of CCISUA, supported by the representative of UNISERV, stated that the margin was not an indicator of comparability. Instead of looking for reasons to freeze the pay of United Nations officials, the organizations should ensure that they were remunerated appropriately.

90. The Commission considered the changes in the pay systems for doctors in the comparator civil service. Such developments were seen as a reflection of the continuing evolution of the comparator civil service into multiple pay systems. Some members were of the opinion that it was necessary to assess what the operational imperatives were for the introduction of such special pay systems and the gradual evolution away from the General Schedule in the comparator civil service. Such an evolution had presented a problem in terms of getting data on the special pay systems.

91. Some members considered that the developments with regard to the doctors' pay in the comparator civil service could best be dealt with through the introduction of special occupational rates of pay. In that context, a view was expressed that there was need to rethink the way the net remuneration comparisons were conducted and that the ongoing review of the common system compensation package provided an

opportunity to do so. Furthermore, while most members recognized that the new pay systems were linked to the General Schedule in terms of grades and base pay, they agreed that it would be appropriate to verify the grade equivalencies before incorporating data from any new pay systems into the comparison. For that reason, the developments with regard to doctors could only be dealt with at a later stage in the context of the next grade equivalency study.

92. The Commission noted that the margin level continued to increase in 2013, owing primarily to the statutory pay freeze in the comparator civil service, and was expected nearly to reach the upper limit of the established range even without any further adjustment of pay levels in the two services. However, a further increase in post adjustment was likely to become due for New York in February 2014. While its actual extent was not yet known, the trend in the New York post adjustment index movement clearly indicated that, if granted in full, the increase would result in the margin moving above the upper limit of the range. It was noted that when the margin was above 120, the margin management procedure approved by the General Assembly in its resolution 46/191 called for granting only that portion of the post adjustment increase that would result in a margin not greater than 120.[3] The Commission concluded that that procedure would need to be applied in 2014.

93. It was pointed out that the Commission had recommended to the General Assembly a real salary increase to bring the overall margin to its desirable level of 115 when the margin forecast for 1 January to 31 December 2002 had been 109.3 (A/57/30, para. 174). The General Assembly had granted a salary increase which brought the margin to the level of 111.9. Further, in its resolution 57/285, the Assembly had requested the Commission to keep the matter under review with a view to restoring the margin to its midpoint over a period of time.

94. The Commission noted that in addition to the anticipated change in the New York post adjustment index, some data used in the margin calculation would be known only after February 2014. Those variables included the status of the freeze in the comparator civil service beyond 31 December 2013 and the resulting levels of the United States actual salaries, the United Nations common system personnel statistics and the cost-of-living differential between New York and Washington, D.C. Changes in any of those variables would affect the actual level of the margin for the calendar year 2014. In response to a request, the secretariat informed the Commission that even if no further adjustment of pay levels in the two services occurred and assuming that all other variables involved in the margin estimation remained unchanged, the level of the margin at the end of 2014 would amount to 119.8 and the five-year average would amount to 116.9. It was further estimated that if there continued to be no change in pay levels in both civil services and all other variables as specified above were held constant, the margin level would be 119.8 and the five-year average would go up to 118.2 by the end of 2015. The secretariat also informed the Commission that the post adjustment index for New York in July 2013 was 170.3 and that the projected multiplier for February 2014 was 72.6. On the

[3] By paragraph 3 of section IV of the resolution, the Assembly endorsed the procedure contained in paragraph 109 (b) of volume I of the Commission's report (A/46/30), which read as follows: "Partial post adjustment increases: under this approach less than the full increase warranted by the movement of the post adjustment index for New York would be granted, it being understood that the resulting margin would still remain within the range approved by the General Assembly. For example, if the granting of a 5 per cent increase in remuneration were to result in a margin level of, say 123, then only a 2 per cent increase would be granted."

basis of that projected multiplier, all other variables remaining unchanged, the margin in February 2014 was estimated to amount to 122.3 and its five-year average to 117.4. Some members believed that, in view of the requests from FAO and IMO for the Commission to exercise financial restraint in its recommendations, and the General Assembly's repeated requests for ICSC to bear in mind the financial circumstances of the Member States and to exercise fiscal restraint, ICSC should recommend that the Assembly take action to facilitate the margin returning to the desirable midpoint of 115 and maintain that level for the duration of the comparator's freeze.

95. Having considered probable scenarios of, and trends in, the evolution of major margin calculation variables and their cumulative effect on the margin, the Commission agreed that its resulting projected level was unlikely to allow for the implementation of any increase in post adjustment for New York in February 2014, if the margin was to be maintained within the established range.

Decisions of the Commission

96. The Commission decided:

(a) 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 officials in comparable positions in the United States federal civil service in Washington, D.C., for the calendar year 2013 amounted to 119.6 and its five-year (2009-2013) average margin amounted to 115.7, which was above the desirable midpoint of 115;

(b) To keep the matter under review, taking into account the discussion in paragraphs 92 to 95 above.

97. The Commission decided to inform the General Assembly that:

(a) ICSC would need to implement, in February 2014, the margin management procedure approved by the Assembly in its resolution 46/191, section IV;

(b) As a result, in order to maintain purchasing power parity of salaries with New York, the base of the post adjustment system, post adjustment indices for all other duty stations would be proportionately scaled back to the extent of the ratio of the pay index that would actually be granted to the pay index that would otherwise have been granted in New York.

C. Children's and secondary dependants' allowances: review of the methodology

98. At the biennial review of the levels of children's and secondary dependants' allowances for staff in the Professional and higher categories in 2012, the Commission expressed concerns regarding the current methodology to determine the allowance levels and requested its secretariat to conduct a review of the methodology. It also decided to defer its consideration of the levels of the children's and secondary dependants' allowances. In response to the Commission's request, the secretariat explored and proposed alternative approaches for consideration by the Commission.

Discussion in the Commission

99. The CEB Human Resources Network expressed concern that the methodology review might have been driven by the desired outcome. Given that the Commission had launched a review of the entire compensation system, CEB was of the view that the methodology for adjusting children's and secondary dependants' allowances should rather be examined in the context of the review. Considering the forthcoming review of the compensation package, the staff federations suggested that the current formula not be changed for the time being.

100. In the calculation of a weighted average of child benefits, the Commission considered ways to address potential distortions in the proposed allowance levels which could be brought about by the dominant impact of larger duty stations, such as Geneva and New York. The Commission considered different weighting structures for the calculation of the child benefit. However, given the unpredictability of changes in the benefit provisions in the surveyed countries, no "best" structure could be identified. The Commission further considered the possibility of expanding the list of referenced locations to include not only the eight headquarters duty stations but non-headquarters duty stations which would more closely reflect the common system staff population.

101. The Commission agreed, however, that the unusual situation in the 2012 review, where a large increase in the child benefits in Geneva had resulted in a 16 per cent increase in the weighted average amount, could have been handled better without automaticity in the methodology. In that regard, the growth rates of child benefits tracked in local currency should have been reported to the Commission at the time of its biennial review. That, in addition to the weighted average amount, would have been more representative of the general trend. The Commission could then have taken the decision using both factors.

102. The Commission was informed that child benefits had increased from 2010 to 2012 at four locations (Geneva, Montreal, New York and Paris) at the remuneration level of P-4, step 6. However, at other locations, the benefits had not changed (London, Madrid and Vienna) or had even declined to zero (Rome) at this reference remuneration level. Considering the absence of an overall upward trend, the Commission did not see a compelling reason to adjust the current levels of children's and secondary dependants' allowances for the biennium 2013-2014.

103. The Commission was of the view that its earlier concerns regarding the methodology should be dealt with in a comprehensive manner. It therefore noted that the upcoming review of the common system compensation package would examine in a holistic way the various allowances and benefits, including those relating to dependants.

Decisions of the Commission

104. The Commission decided to:

(a) Take note of the study undertaken by its secretariat on the methodology to determine the children's and secondary allowances;

(b) Use, as factors to adjust the allowance, the weighted average of the eight headquarters duty stations and the general trend in growth rates of child benefits;

(c) Inform the General Assembly that it would keep the methodology under consideration within the framework of the broader review of the common system compensation package;

(d) Recommend to the General Assembly that the current levels of the children's and secondary dependants' allowances be maintained.

D. Education grant special measures: Belgium and Morocco

105. The CEB Human Resources Network requested the Commission to consider introducing special measures for the levels of the education grant in Belgium and Morocco.

106. In the case of Belgium, the request was made to address the difficult situation in Brussels where the tuition fees of three English-curriculum schools, which were the only options available to English-speaking families of the common system staff, were more than double the maximum admissible expenses applicable to the country. In the current school year, five children of United Nations staff were enrolled in those schools, which exceeded 5 per cent of all education grant claims submitted for Belgium.

107. In the case of Morocco, the request was put forward regarding four claims associated with the only English-language school available in Rabat. A supporting document showed that a staff member whose four children were enrolled in the school had to cover almost 50 per cent of the education costs.

Discussion in the Commission

108. The three staff federations expressed their appreciation for the fact that the item had been put on the agenda of the current Commission session. They supported the requests made by the Human Resources Network, quoting the inadequate coverage of education costs under the existing maximum admissible expenses in both locations.

109. The Commission noted that Brussels offered a choice of schools in different languages and with different religious and pedagogical orientations. Most of them were affordable given the education grant level applicable to Belgium. However, the only three English-curriculum schools leading to the International Baccalaureate Diploma were private and operated without subsidies, and thus charged fees at cost-recovery levels. As a result, the fees were far above the existing maximum admissible expenses.

110. It could be expected that, without the special measures, English-speaking staff might choose to send their children to schools outside Belgium, for example to the United Kingdom or France where special measures were in effect with respect to eight English-curriculum schools. The decision to send the children abroad to attend school might not be desirable in the case of young children. In addition, it would lead to additional costs to the organizations as a result of added expenses to cover the costs of boarding and education grant travel. Furthermore, without adequate coverage of education-related costs provided through organizations' budgets, staff mobility to Brussels might be impeded. The Commission was therefore supportive of the CEB request.

111. With respect to Morocco, the Commission noted that the percentage of claims above the maximum admissible expenses did not justify a review of the education grant level at that location. Besides, those claims showed that the excess of expenses over the maximum admissible expenses was primarily due to the one-time capital assessment fees that the staff member had to pay. It was noted in that regard that the reimbursement of capital assessment fees was covered by a separate procedure established by the Commission in 1997; thus, the case presented did not call for the introduction of special measures for Morocco.

112. The financial implications of introducing the special measure for Belgium were estimated at $71,000 per annum.

Decision of the Commission

113. The Commission recommended to the General Assembly that a special education grant measure which allowed reimbursement of the education-related expenses up to the maximum established for the United States dollar inside the United States zone be introduced for three English-curriculum schools in Brussels, namely, the International School of Brussels, the British School of Brussels and St. John’s International School, as from the academic year in progress on 1 January 2013.

114. With regard to Morocco, the Commission decided that no special measure was required, as a procedure for the reimbursement of capital assessment fees had been approved by the Commission in 1997.

E. Post adjustment matters: report of the Advisory Committee on Post Adjustment Questions on its thirty-fifth session

115. 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 Advisory Committee on Post Adjustment Questions on the work of its thirty-fifth session. This session was convened in response to a request by the Commission for the Advisory Committee to undertake a number of methodological studies pertaining to the 2015 round of cost-of-living surveys.

116. The report contained a number of recommendations based on the results of the above-referenced methodological studies, including the specification of the weight of the out-of-area component of the post adjustment index for group I duty stations; the classification of staff expenditures, including Internet purchases, as in-area or out-of-area; a progress report on the feasibility of incorporating geographical areas outside Geneva in establishing the post adjustment classification of Geneva; and a revision of the list of countries, and their corresponding weights, that are used in the estimation of the out-of-area index, on the basis of the results of an out-of-area survey.

Summary of recommendations

117. The Advisory Committee recommended a specification of the weight for the out-of-area component of the post adjustment index that is based on a combination of staff-reported data. It also recommended that the current list of countries used in the calculation of the out-of-area index be maintained, but that the weights be

revised on the basis of the 2012 global staff survey of out-of-area expenditures. On the issue of the classification of staff expenditures as in-area or out-of-area, the Committee affirmed the need to maintain the current classification based on whether or not the expenditures were incurred within or outside of the national boundaries of the duty station. However, in light of the increased use of e-commerce and the establishment and expansion of monetary zones since the inception of the post adjustment system, the Advisory Committee recommended an extension of the current classification to include Internet purchases.

118. Regarding the issue of the post adjustment classification for Geneva, the Advisory Committee focused on the Commission's mandate for it to investigate the technical feasibility of incorporating geographical areas outside Geneva, in establishing the post adjustment classification of Geneva. After carefully reviewing the results of the ad hoc cost-of-living survey conducted by the secretariat, the Advisory Committee recommended that Canton Vaud be incorporated in the establishment of the post adjustment classification of Geneva. The Advisory Committee also affirmed that, in principle, neighbouring areas of France should be incorporated in the establishment of post adjustment for Geneva. However, taking into consideration the technical problems associated with the collection of both price and rent data in neighbouring France, as well as its recommendation to recognize national boundaries in the classification of household expenditures as in-area or out-of-area, the Advisory Committee recommended that neighbouring France not be considered for price and rent data collection for the purpose of establishing the post adjustment classification of Geneva, until such time as the relevant areas complied with the criteria set by the International Service for Remunerations and Pensions for the conduct of market rent surveys, or the practical and technical problems associated with the use of price data collected in those areas were resolved. It further recommended that the secretariat continue monitoring developments in all areas surrounding Geneva in order to assess whether any changes to its current recommendations would be warranted in the future, bearing in mind that any recommendation to incorporate neighbouring France in the establishment of the post adjustment classification of Geneva would have to be accompanied by a revision of the basis of the in-area/out-of-area classification of expenditures such that geographical areas around the duty station could be considered without regard to national boundaries or currencies.

Discussion in the Commission

119. The representative of the Human Resources Network recapitulated the major reasons for the Network's opposition to the inclusion of neighbouring France in the establishment of the post adjustment classification of Geneva. First, the inclusion of an area outside the country of the duty station would require amendments to the staff regulations of each organization present in Geneva, and such amendments could only be made by the governing bodies of the organizations, not by the Commission or the General Assembly. Second, the inclusion of neighbouring France would require a redefinition of the concepts of in-area and out-of-area expenses. Third, the status of organizations and officials in a duty station were determined by the provisions of the host country agreement, including those governing entry and residency facilities for staff members and import and export of goods and services into the host country; there was no such agreement between any of the Geneva-based United Nation agencies and the Government of France, nor did every staff

member have the choice to reside in France, as residency permits for United Nations staff who wished to reside in France were granted on a discretionary basis. Fourth, a redefinition of the duty station would also require the consent of the host country and possibly that of the neighbouring country proposed for inclusion in the data collection. Fifth, none of the major Member States with diplomatic envoys in Geneva (including the comparator, the United States of America) nor any of the other international organizations outside the United Nations system (Global Fund, World Trade Organization, European Union) took neighbouring France into account in the determination of the cost of living for Geneva, regardless of whether their staff lived in France or bought goods and services across the border. These legal, political and equity considerations should be addressed and solved before the technical feasibility of including neighbouring France was envisaged. Since the legal aspects of the problem were of concern to several independent organizations, they should be addressed collectively by the organizations concerned.

120. The representatives of all three staff federations (FICSA, CCISUA and UNISERV) concurred with the views expressed by the Human Resources Network. Furthermore, the representative of FICSA expressed satisfaction with the high level of consultation by the ICSC secretariat on all aspects of its work on post adjustment issues. He also expressed support for the Advisory Committee’s role in ensuring purchasing power parity of salaries of Professional staff, and for its recommendations as presented in the report, except for a caveat concerning the inclusion of France in the calculation of post adjustment for Geneva. FICSA reiterated that the legal issues, not the technical, should be of primary concern, as the organizations were based in Switzerland, not in France.

121. The Vice-Chair of ICSC, who is also Chair of the Advisory Committee, pointed out that official figures obtained from Swiss authorities indicated that about 25 per cent of Geneva-based Professional staff members resided in neighbouring France. The figure reached around 45 per cent when one considered all officials of international organizations, including General Service staff, as well as officials outside the United Nations common system. Regarding the incorporation of neighbouring France in the establishment of the post adjustment for Geneva, he pointed to evidence that neighbouring France did not currently meet the requirement of comparability of neighbourhoods selected for market rent surveys in all group I duty stations; thus it could not be incorporated in the context of an enlarged Geneva area without changing that requirement. He expressed the view, supported by several other members of the Commission, that the report should be considered in the context of the ongoing comprehensive review of the United Nations compensation package.

122. A member of the Commission affirmed that the maintenance of purchasing power parity of salaries was an essential feature of the compensation package of international staff, but not necessarily through the post adjustment system in its current form. In her view, the system needed to be simplified in a way that made it transparent, predictable and financially sustainable over time. There was consensus among Commission members that the post adjustment system should be an integral and major part of any review of the United Nations compensation package, and that the system itself could benefit from simplification.

123. It was pointed out that the Advisory Committee’s recommendations pertained to the 2015 round of surveys and, as the recommendations from the comprehensive

review of the United Nations compensation package were due to be submitted to the General Assembly by 2015, it would not make sense to act on the recommendations at this point, because the post adjustment system itself could change by the time of the new round of surveys. Ideally, the new round of surveys would be launched only after the new United Nations compensation package was in place. In the meantime, the post adjustment system would be run on the basis of the existing methodology, and the Cost-of-Living Division of the ICSC secretariat would be actively involved within the working groups to be established for the comprehensive review of the United Nations compensation package and refer statistical/methodological issues to the Advisory Committee for its review and recommendation, as and when necessary. In essence, the agenda of the Advisory Committee for the next round of surveys would be set on the basis of matters arising from the working groups.

Decision of the Commission

124. The Commission decided:

(a) To take note of the report of the Advisory Committee on Post Adjustment Questions on the work of its thirty-fifth session;

(b) To revert to the issues raised in the context of the comprehensive review of the compensation package;

(c) That the operation of the post adjustment system should be part of the comprehensive review of the compensation package and that the work programme of the Advisory Committee should be adjusted accordingly.

F. Implications of the enlargement of the European Union for the operation of the mobility and hardship scheme and the post adjustment system (Croatia)

125. The ICSC considered a note by its secretariat, in the form of a conference room paper, on the implications of the enlargement, from 1 July 2013, of the European Union to include Croatia, for the post adjustment and hardship classification of the duty station. A summary of the Commission's decisions following the earlier enlargements of the European Union, to include 10 new member countries from 1 May 2004, and two additional member countries from 1 January 2007, was provided. The main differences in the post adjustment methodology and operational rules between group I and group II duty stations were also highlighted. The Commission was requested to decide upon the post adjustment and hardship classification procedures to be applied to Croatia once it joined the European Union.

Discussion in the Commission

126. The representative of CCISUA, speaking on behalf of all three staff federations (CCISUA, FICSA and UNISERV), called upon the Commission to ensure that all relevant methodologies and processes were applied to the various aspects of any decision to change the classification of Croatia for purposes of post adjustment and entitlements under the mobility and hardship scheme, citing as examples the proposed place-to-place survey and the operation of the rental subsidy scheme. She suggested that the Commission specify that salaries of staff in the

Professional and higher categories be calculated, rather than paid, in local currency, as staff would retain the right to determine the currency in which proportions of their salaries would be paid. She further asked that affected staff be given sufficient advance notice of the impending changes and that every effort be made to phase in the changes so as to avoid major impacts on the take-home pay of staff.

127. The secretariat provided some clarifications regarding earlier decisions of the Commission with respect to the post adjustment and hardship classification of duty stations becoming new members of the European Union. Such duty stations were reclassified from A to H under the mobility and hardship scheme, and from group II to group I for post adjustment purposes. Among other things, that meant that salaries of staff in the Professional and higher categories were calculated, and should be paid, in local currency, because the mechanism guaranteeing the stability of such salaries between reviews applied only to salaries paid in local currency. Salaries not paid in local currency were not protected against exchange-rate fluctuations under the current methodology, and so staff members might gain or lose in take-home pay from month to month depending on the prevailing exchange rate of the local currency relative to the United States dollar.

128. The Commission recalled its earlier decisions following the accession of new member countries to the European Union in 2004 and 2007 and suggested that the same treatment be given to staff members currently on duty in Croatia when it acceded to the European Union on 1 July 2013. The Commission instructed its secretariat that the place-to-place survey initiating the reclassification of Croatia from group II to group I should be conducted as soon as practicable in 2013, and the results implemented in accordance with existing operational rules and procedures. It further noted that the reclassification of Croatia from A to H under the mobility and hardship scheme, while consistent with its earlier decisions regarding membership of the European Union, was without prejudice to any future classification of Croatia resulting from the ongoing review of category H duty stations.

Decisions of the Commission

129. The Commission decided:

(a) That for post adjustment purposes, Croatia, upon joining the European Union on 1 July 2013, should be considered a group I duty station, starting with the implementation of a new place-to-place survey;

(b) That a new place-to-place survey should be scheduled and conducted in 2013 for Croatia and the cost-of-living data should be processed using the methodology for group I duty stations under the existing operational rules and procedures;

(c) That all organizations based in Croatia should pay salaries of staff in the Professional and higher categories in local currency, starting with the implementation of the new place-to-place survey;

(d) That a modification of the rental subsidy scheme corresponding to group I duty stations should be introduced at the time of the implementation of the new place-to-place survey;

(e) That the classification of duty stations in Croatia should be changed from A to H under the mobility and hardship scheme, with effect from 1 January 2014, pending the review of all category H duty stations.

Chapter V
Conditions of service of the General Service and other locally recruited staff

A. Surveys of best prevailing conditions of employment in Paris

130. On the basis of the methodology for surveys of the best prevailing conditions of employment of the General Service and other locally recruited staff at Headquarters and similar duty stations (survey methodology I), a survey of best prevailing conditions of employment was conducted by the Commission in Paris with a reference date of September 2012. The new net salary scale and the levels of dependency allowances recommended by the Commission to the executive heads of the Paris-based organizations are reproduced in annex V to the present report. The recommended salary scale is 2.19 per cent lower than the current Paris salary scale.

131. As may be noted from the recommended salary scale, the annual net salary at the highest point, GS-7/XII, is €61,897, or US$ 77,662 at the September 2012 exchange rate. As at 1 September 2012, this net remuneration (net base salary plus post adjustment) was around the P-2/II level at the single rate.

132. The notional annual savings as a result of implementing the salary scale are estimated at US$ 0.55 million at the September 2012 exchange rate of €0.797 per United States dollar. However, as the recommended salary scale is expected to be implemented only with respect to staff recruited on or after the date of promulgation by the Paris-based organizations, there are no immediate savings associated with the Commission's recommendations on the revised salary scale. The financial implications of implementing the proposed dependency allowances are estimated at $70,000 per annum.

B. Survey of best prevailing conditions of employment in Montreal

133. On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at Headquarters and similar duty stations (survey methodology I), a survey of the best prevailing conditions of employment was conducted by the Commission in Montreal with a reference date of 1 April 2013. The revised net salary scale and the levels of dependency allowances recommended by the Commission to the executive heads of the Montreal-based organizations are reproduced in annex VI to the present report.

134. The revised salary scale is 1.22 per cent higher than the existing salary scale in Montreal. The highest point of the scale, GS-7/XI, is Can$ 62,840, or US$ 61,789 at the April 2013 exchange rate of Can$ 1.017 per United States dollar. As at 1 April 2013, this net remuneration (net base salary plus post adjustment) was around the P-1/1 level at the single rate. The total annual financial implications of implementing the recommended salary scale and the revised dependency allowances were estimated at US$ 334,000.

Chapter VI
Conditions of service in the field

135. At its seventy-fifth session, the Commission approved the security evacuation allowance and agreed on a global amount of US$ 200 per day. The current guidelines had been established in 2011 by the organizations and are contained in the United Nations Security Management System Security Policy Manual. Given the Commission's responsibility in regulating the security evacuation allowance, it wished to formalize the guidelines for the allowance in an ICSC document. The Commission therefore requested its secretariat to prepare a document outlining the guiding principles, scope, applicability, eligibility and related procedures of the security evacuation allowance for its approval at the seventy-seventh session.

136. The Commission had before it a document prepared by its secretariat. The organizations had been asked through a survey whether they had evacuated any internationally recruited staff and/or their eligible family members in 2012 and, if so, whether the information provided in the Security Policy Manual had been sufficiently clear to administer the security evacuation allowance. All organizations had stated that the information in the current guidelines was sufficiently clear to enable them to administer the allowance. The methodology proposed by the ICSC secretariat included sections on purpose, applicability, eligibility, travel, provisions applicable in respect of family members and emoluments applicable during evacuation and were attached to the document presented to the Commission.

Discussion in the Commission

137. The Human Resources Network noted its general satisfaction with the guidelines currently contained in chapter VI of the Security Policy Manual. The Network was of the view that the guidelines were a policy issue and not one of conditions of service and was therefore surprised that the Commission had taken them up. The Network was also of the view that the recommendation to offer guidance on the relocation of local staff had no relation to the issue of security evacuation allowance.

138. The representative of CCISUA, speaking also on behalf of FICSA, informed the Commission that those two staff federations represented a large number of field staff from member organizations, including UNHCR, UNICEF and WFP. They considered the security evacuation allowance to be an important tool for field-based agencies and for their staff.

139. The application of the policy would have an important impact on agencies' abilities to carry out their mandates in increasingly difficult duty stations, where staff members put their safety and security — and even their lives — on the line every day. The two staff federations wished to underline their concern that a monitoring system be established to ensure that best practices were identified and adopted by all United Nations agencies. The representative of UNISERV fully supported the statement of CCISUA and FICSA.

140. The Commission took note of the document on the applicability of the security evacuation allowance and observed that it should no longer be regulated by the Department of Safety and Security of the Secretariat. It was suggested that the "dependants" be referred to as eligible family members or be clearly defined.

141. In response to the concerns expressed by the Human Resources Network regarding the authority of the Commission to issue guidelines on these matters and the legal validity of the term “guidelines”, the Commission responded that it was responsible for regulating and updating the allowance under its statute. The Commission further decided to retitle the document “Security evacuation allowance”.

Decisions of the Commission

142. The Commission decided:

(a) To approve the security evacuation allowance text on the scope, applicability, eligibility and related procedures as contained in annex VII to the present report;

(b) To request its secretariat to inform the Department of Safety and Security that the scope, applicability, eligibility and related procedures of the security evacuation allowance would be regulated by the Commission.

Chapter VII
Presentation by the United Nations Office for Project Services on its rewards and recognition policy

143. A team from UNOPS, led by its Executive Director, updated the Commission on its rewards and recognition policy, which it was implementing on a pilot basis.

144. In February 2011, the UNOPS Corporate Operations Group approved a rewards, recognition and sanctions policy. In July of that year, UNOPS briefed the Commission, at its seventy-third session, on its policy and the future steps it would take. The objectives of the policy were:

(a) To enable managers to recognize and reward excellent performance;

(b) To reward both individual and team contributions;

(c) To support an organizational culture of innovation and entrepreneurial spirit;

(d) To promote and reinforce UNOPS core values;

(e) To focus all personnel on UNOPS business targets;

(f) To reinforce UNOPS performance management with meaningful and relevant consequences.

145. UNOPS pointed out that there were four key elements of the scheme:

(a) Recognition awards in seven categories for teams and individuals;

(b) Sanctions to address underperformance;

(c) Merit-based promotions;

(d) Merit rewards.

146. The Commission was told that annual step increments might be withheld if staff members showed less than fully satisfactory performance or did not complete a performance appraisal. Since the initiation of the pilot, 2.5 per cent of staff members had not been granted their annual increment because of less than satisfactory performance ratings.

147. The UNOPS representatives explained that, between 2009 and 2012, there had been a trend away from overinflated ratings and towards "fully satisfactory" ratings, which had increased from 40 per cent to 73 per cent. The organization had carried out an analysis of the pilot project's impact using feedback from managers and personnel collected through an annual global personnel survey. Lessons learned in the first year of the pilot project had been used to improve its implementation. Overall, the evaluation of staff had been very positive. Staff members reported much higher satisfaction levels of the quality and frequency of performance discussions with supervisors.

148. One of the lessons learned by UNOPS was that senior support had been critical to the success of the project. There had been clear sponsorship of the project from the beginning by senior management. Before starting the pilot, UNOPS had conducted a senior leadership programme for all managers, including a 360-degree exercise. UNOPS saw the policy as an additional tool to support the human

resources framework and organizational effectiveness. The initiative was also seen as contributing to staff well-being and to a culture of recognition.

Discussion in the Commission

149. Many of the representatives of member organizations showed great interest and had questions for the UNOPS team on the policy and its implementation. The representatives of the staff federations also had questions and commended UNOPS overall for the initiative. They stated that staff members were not so much interested in monetary rewards, but in recognition in general.

150. Members of the Commission were appreciative of the presentation and explanations by the Executive Director of UNOPS and his team. Many questions were asked on elements or by-products of the scheme, such as feedback by those staff members who had not been recognized for excellence, and on the rebuttal rate and process. Some members expressed their conviction that the pilot was proof that merit award systems could be effective in the common system. The Commission hoped to be briefed at future sessions about the progress of the scheme.

Annex I

Programme of work of the International Civil Service Commission for 2014-2015

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 of the Professional and higher categories:

   (a) Base/floor salary scale (in 2014: also staff assessment rates used in conjunction with gross salaries);

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

   (c) Report on gender balance in the United Nations common system;

   (d) Diversity in the United Nations common system: study of recruitment policies;

   (e) Children's and secondary dependants' allowances: review of the methodology;

   (f) Children's and secondary dependants' allowances: review of the level;

   (g) Review of the rental subsidy scheme;

   (h) Mobility, hardship, non-removal allowances (level);

   (i) Report of the thirty-sixth session and agenda for the thirty-seventh session of the Advisory Committee on Post Adjustment Questions;

   (j) Report of the thirty-seventh session and agenda for the thirty-eighth session of the Advisory Committee on Post Adjustment Questions.

3. Conditions of service of the General Service and other locally recruited staff:

   (a) General Service salary survey methodologies: salary adjustments at duty stations with fewer than 30 staff;

   (b) Surveys of best prevailing conditions of employment at:

      (i) Madrid;

      (ii) New York;

      (iii) London;

      (iv) Geneva;

   (c) Review of the Common Classification of Occupational Groups.

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

   (a) Review of the common system compensation package;

   (b) Education grant: review of the level;

   (c) Termination indemnity;

   (d) Repatriation grant;

   (e) Death grant;

(f) Exit interview report (Human Resources Network);

(g) Contractual arrangements: review of the implementation of the three types of contracts.

5. Conditions of service in the field:

(a) Danger pay (level);

(b) Security evacuation allowance (level).

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. Report of the working group on the framework for human resources management.

Annex II

Responses to questions related to article 10 of the statute of the International Civil Service Commission, on conditions of service

Organization[a]	*Response received*	*Danger pay, adopted changes and new criteria?*	*Mobility and hardship and non-removal allowance revised?*	*Harmonization in non-family duty station, revised?*	*Contractual arrangements adopted in accordance with revised framework?*	*Education grant changes implemented?*
United Nations	Yes	1 April 2012	1 January 2012	1 July 2012	Yes	Yes; United Nations Office at Geneva, 1 January 2012
FAO	Yes	1 April 2012	1 January 2012	1 July 2012	Yes	Yes; 1 January 2012
IAEA	Yes	1 April 2012	1 January 2012	n/a	Yes; cannot be fully implemented because of rotation policy used	n/a
ICAO	Yes	1 April 2012	1 January 2012	1 July 2012	Yes; no continuing contracts implemented yet; would like a comprehensive review by ICSC on the use of temporary appointments and a recommendation from ICSC	Yes
IFAD	Yes	1 April 2012	1 January 2012	2012	Yes; suspended indefinite contracts in 3/2010; new short-term contract 1/2012	Yes but n/a
ILO	Yes	1 April 2012	1 January 2012	Yes	Yes; but still under consideration	Yes; Geneva for the school year 2012/13, Vaud, school year 2013/14
IMO	Yes	n/a	1 January 2012	n/a	Yes; uses fixed-term only	No
ISA	No					

Organization[a]	*Response received*	*Danger pay, adopted changes and new criteria?*	*Mobility and hardship and non-removal allowance revised?*	*Harmonization in non-family duty station, revised?*	*Contractual arrangements adopted in accordance with revised framework?*	*Education grant changes implemented?*
ITC	Yes	1 April 2012	1 January 2012	1 July 2012	Yes; new criteria on continuing contracts to be implemented in 2013	Yes
ITU	Yes	n/a	1 January 2012	n/a	Yes; criteria for continuing contract: five years of uninterrupted active service under a fixed-term contract, satisfactory performance, continuing need of the duties of the post occupied by the staff member concerned, continuing availability of the funding of the post	Yes
PAHO	Yes	1 April 2012	1 January 2012	1 July 2012	Yes; but only fixed-term and temporary; considering the use of open-ended	Yes but n/a
UNDP	Yes	1 April 2012	1 January 2012	1 July 2012	Yes; reviewing criteria for continuing contracts	Yes; staff in Geneva
UNESCO	Yes	1 April 2012	1 January 2012	1 July 2012	Yes; in line with ICSC; no new appointments of limited duration issued, only one left in a joint project with World Bank	Yes for UNESCO staff in Geneva

Organization[a]	*Response received*	*Danger pay, adopted changes and new criteria?*	*Mobility and hardship and non-removal allowance revised?*	*Harmonization in non-family duty station, revised?*	*Contractual arrangements adopted in accordance with revised framework?*	*Education grant changes implemented?*
UNFPA	Yes	1 April 2012	1 January 2012	1 July 2012	Yes; in line with ICSC; only fixed-term and temporary; no policy on continuing contracts	Yes
UNHCR	Yes	1 April 2012	1 January 2012	1 November 2012	Yes; discussion of criteria for introducing continuing contracts	Yes
UNICEF	Yes	1 April 2012	1 January 2012	1 November 2012	Yes 2009; reviewing whether continuing appointments should be implemented	Yes
UNIDO	Yes	No; in the process of implementation	1 January 2012	No; implementation not final	Yes; fixed-term, project personnel and short-term; no continuing contracts used because of budget limitations	Yes; in the process of introducing the change
UNOPS	Yes	1 April 2012	1 January 2012	1 July 2012	Yes; working on the procedure for granting continuing contracts; temporary appointments do not meet UNOPS needs, as most of the projects are more than two years of duration, the maximum for short-term contracts	No
UNRWA	Yes	1 April 2012	1 January 2012	Yes, some elements	Yes; but limited to temporary fixed-term appointments because of the nature of the organization	n/a

Organization[a]	Response received	Danger pay, adopted changes and new criteria?	Mobility and hardship and non-removal allowance revised?	Harmonization in non-family duty station, revised?	Contractual arrangements adopted in accordance with revised framework?	Education grant changes implemented?
UNWTO	Yes	n/a	n/a	No	Yes; currently non-staff/temporary appointments are being reviewed in light of organizational needs	No
UPU	Yes	n/a	n/a	n/a	Yes	Yes
WFP	Yes	1 April 2012	1 January 2012	1 July 2012	Yes; various appointment types depending on the category, some under FAO staff rules and WFP staff rules	Yes; Geneva staff only
WHO	Yes	1 April 2012	1 January 2012	1 July 2012	Yes; since July 2007	Yes
WIPO	Yes	n/a	1 January 2012	n/a	Yes; January 2013	Yes
WMO	Yes	n/a	n/a	n/a	Yes; three types	Yes

Abbreviation: n/a, not applicable.

[a] Food and Agriculture Organization of the United Nations (FAO); International Atomic Energy Agency (IAEA); International Civil Aviation Organization (ICAO); International Fund for Agricultural Development (IFAD); International Labour Organization (ILO); International Maritime Organization (IMO); International Seabed Authority (ISA); International Trade Centre UNCTAD/WTO (ITC); International Telecommunication Union (ITU); Pan-American Health Organization (PAHO); United Nations Development Programme (UNDP); United Nations Educational, Scientific and Cultural Organization (UNESCO); United Nations Population Fund (UNFPA); Office of the United Nations High Commissioner for Refugees (UNHCR); United Nations Children's Fund (UNICEF); United Nations Industrial Development Organization (UNIDO); United Nations Office for Project Services (UNOPS); United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA); United Nations World Tourism Organization (UNWTO); Universal Postal Union (UPU); World Food Programme (WFP); World Health Organization (WHO); World Intellectual Property Organization (WIPO); and World Meteorological Organization (WMO).

Annex III

Salary scale for the Professional and higher categories showing annual gross salaries and net equivalents after application of staff assessment, effective 1 January 2014

(United States dollars)

Level		*I*	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI*	*XII*	*XIII*	*XIV*	*XV*
USG	**Gross**	**189 744**														
	Net D	146 321														
	Net S	131 682														
ASG	**Gross**	**172 436**														
	Net D	134 205														
	Net S	121 527														
D-2	**Gross**	**141 519**	**144 521**	**147 523**	**150 549**	**153 680**	**156 810**									
	Net D	112 309	114 500	116 692	118 884	121 076	123 267									
	Net S	103 177	105 026	106 869	108 706	110 539	112 360									
D-1	**Gross**	**129 315**	**131 952**	**134 582**	**137 219**	**139 858**	**142 490**	**145 129**	**147 763**	**150 414**						
	Net D	103 400	105 325	107 245	109 170	111 096	113 018	114 944	116 867	118 790						
	Net S	95 575	97 246	98 916	100 579	102 241	103 899	105 549	107 199	108 844						
P-5	**Gross**	**106 944**	**109 185**	**111 429**	**113 668**	**115 914**	**118 153**	**120 399**	**122 640**	**124 882**	**127 125**	**129 367**	**131 608**	**133 852**		
	Net D	87 069	88 705	90 343	91 978	93 617	95 252	96 891	98 527	100 164	101 801	103 438	105 074	106 712		
	Net S	80 887	82 342	83 792	85 241	86 688	88 130	89 572	91 011	92 447	93 881	95 313	96 739	98 167		
P-4	**Gross**	**88 108**	**90 108**	**92 106**	**94 105**	**96 106**	**98 104**	**100 114**	**102 277**	**104 441**	**106 603**	**108 770**	**110 930**	**113 095**	**115 260**	**117 425**
	Net D	72 605	74 185	75 764	77 343	78 924	80 502	82 083	83 662	85 242	86 820	88 402	89 979	91 559	93 140	94 720
	Net S	67 611	69 049	70 488	71 920	73 354	74 787	76 219	77 647	79 074	80 502	81 925	83 349	84 773	86 193	87 613
P-3	**Gross**	**72 411**	**74 262**	**76 114**	**77 962**	**79 815**	**81 665**	**83 514**	**85 368**	**87 218**	**89 068**	**90 922**	**92 770**	**94 623**	**96 472**	**98 322**
	Net D	60 205	61 667	63 130	64 590	66 054	67 515	68 976	70 441	71 902	73 364	74 828	76 288	77 752	79 213	80 674
	Net S	56 198	57 542	58 889	60 232	61 579	62 922	64 265	65 612	66 955	68 300	69 640	70 982	72 319	73 661	75 001
P-2	**Gross**	**59 387**	**61 043**	**62 697**	**64 354**	**66 010**	**67 663**	**69 322**	**70 973**	**72 629**	**74 287**	**75 941**	**77 597**			
	Net D	49 916	51 224	52 531	53 840	55 148	56 454	57 764	59 069	60 377	61 687	62 993	64 302			
	Net S	46 819	48 006	49 189	50 375	51 559	52 745	53 949	55 151	56 358	57 561	58 761	59 968			

Level		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV
P-1	**Gross**	**46 487**	**47 968**	**49 442**	**50 995**	**52 582**	**54 173**	**55 766**	**57 359**	**58 946**	**60 537**					
	Net D	39 514	40 773	42 026	43 286	44 540	45 797	47 055	48 314	49 567	50 824					
	Net S	37 273	38 432	39 591	40 748	41 906	43 064	44 222	45 366	46 504	47 643					

Annex IV

Comparison of average net remuneration of United Nations officials in the Professional and higher categories in New York and officials of the United States federal civil service in Washington, D.C., by equivalent grades (margin for calendar year 2013)

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[c]
	United Nations[a,b]	United States			
P-1	76 048	53 124	143.2	128.3	0.2
P-2	94 818	66 765	142.0	127.2	7.2
P-3	116 065	85 865	135.2	121.1	27.9
P-4	138 368	104 904	131.9	118.2	33.6
P-5	162 406	122 948	132.1	118.4	22.2
D-1	186 107	142 455	130.6	117.0	6.7
D-2	200 018	152 422	131.2	117.6	2.2
Weighted average ratio before adjustment for New York/Washington, D.C. cost-of-living differential					133.5
New York/Washington, D.C. cost-of-living ratio					111.6
Weighted average ratio, adjusted for cost-of-living differential					119.6

[a] Average United Nations net salaries at dependency level by grade, reflecting 1 month at multiplier 65.5 and 11 months at multiplier 68.7 on the basis of the salary scale in effect from 1 January 2012.

[b] For the calculation of the average United Nations salaries, personnel statistics of the United Nations System Chief Executives Board for Coordination as at 31 December 2012 were used.

[c] 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 2012.

Annex V

A. Recommended net salary scale for staff in the General Service and other locally recruited categories in Paris

(Euros per annum)

Survey reference month: September 2012

Grade/step	*I*	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI*	*XII**
G-1	24 153	24 975	25 797	26 619	27 441	28 263	29 085	29 907	30 729	31 551	32 373	33 195
G-2	26 795	27 707	28 619	29 531	30 443	31 355	32 267	33 179	34 091	35 003	35 915	36 827
G-3	29 731	30 741	31 751	32 761	33 771	34 781	35 791	36 801	37 811	38 821	39 831	40 841
G-4	32 983	34 103	35 223	36 343	37 463	38 583	39 703	40 823	41 943	43 063	44 183	45 303
G-5	36 594	37 838	39 082	40 326	41 570	42 814	44 058	45 302	46 546	47 790	49 034	50 278
G-6	40 601	41 981	43 361	44 741	46 121	47 501	48 881	50 261	51 641	53 021	54 401	55 781
G-7	45 045	46 577	48 109	49 641	51 173	52 705	54 237	55 769	57 301	58 833	60 365	61 897

* Longevity step.

B. Recommended dependency allowances

(Euros per annum)

Allowance	*Proposed amount*
Spouse	2 443
Child	1 949
First dependent child of a staff member without a spouse	3 817

Annex VI

A. Recommended net salary scale for staff in the General Service and other locally recruited categories in Montreal

(Canadian dollars per annum)

Survey reference month: April 2013

Grade/step	*I*	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI**
G-1	25 267	26 440	27 613	28 786	29 959	31 132	32 305	33 478	34 651	35 824	36 997
G-2	27 592	28 874	30 156	31 438	32 720	34 002	35 284	36 566	37 848	39 130	40 412
G-3	30 153	31 552	32 951	34 350	35 749	37 148	38 547	39 946	41 345	42 744	44 143
G-4	32 923	34 452	35 981	37 510	39 039	40 568	42 097	43 626	45 155	46 684	48 213
G-5	35 959	37 631	39 303	40 975	42 647	44 319	45 991	47 663	49 335	51 007	52 679
G-6	39 268	41 095	42 922	44 749	46 576	48 403	50 230	52 057	53 884	55 711	57 538
G-7	42 900	44 894	46 888	48 882	50 876	52 870	54 864	56 858	58 852	60 846	62 840

* Longevity step.

B. Recommended dependency allowances

(Canadian dollars per annum)

Allowance	*Proposed amount*
Spouse	3 622
Child	1 544
First dependent child of a single parent	3 480
Secondary dependant	1 656

Annex VII

Security evacuation allowance

A. Purpose

1. The purpose of the security evacuation allowance is to assist in offsetting direct added expenses of staff members and their eligible dependants who are evacuated from their official duty stations.

B. Applicability

2. Once evacuation[a] from a duty station is officially declared by the Under-Secretary-General for Safety and Security, the internationally recruited staff and their eligible family members are evacuated to an authorized destination. An authorized evacuation from a duty station triggers the payment of the security evacuation allowance.

C. Eligibility

3. The security evacuation allowance is payable for eligible internationally recruited staff members and their eligible family members as follows:

(a) In respect of the staff member, $200 per day for up to 30 days and thereafter $150 per day until the staff member returns to the duty station or is reassigned to another location, or for a maximum period of six months, whichever occurs first;

(b) In respect of each eligible family member residing at the duty station, $100 per day for up to 30 days and thereafter $75 per day until the staff member returns to the duty station, or for a maximum period of six months, whichever occurs first;

(c) If the staff member is authorized to return to the duty station and some or all eligible family members are not authorized to return or are unable to return owing to specific "family restrictions" that may be put in force for security purposes, or if the staff member is sent on mission (and receives the relevant daily subsistence allowance), the first eligible family member will be entitled to the higher rate of evacuation allowance ($200 or $150 per day, as applicable).

4. In addition, for the purpose of facilitating a small shipment of personal effects (and incidentals including terminal expenses), a single lump sum of $500 would apply when the staff member who was installed at the duty station is evacuated or his or her eligible family members are evacuated. It is a one-time payment for the staff member and all of his or her eligible family members, even if they are evacuated at different times.

[a] Evacuation refers to the removal of staff members and/or their eligible family members outside the country of duty station to a designated safe haven in another country, triggering a payment of security evacuation allowance.

5. Loss and damage to personal effects that remain at the duty station will be compensated in accordance with administrative guidelines established by each organization. Staff members should be reminded of their responsibility to submit to the officer in charge who has been designated to manage organization-specific matters a list of their valued and itemized personal effects, which will be used by the respective compensation committees of the organizations to determine compensation in the event of loss or damage to personal effects.

D. Provisions applicable in respect of eligible internationally recruited staff members

6. Internationally recruited staff members eligible for both the security evacuation allowance and security evacuation travel are those who travelled and were installed at the duty station at the expense of the organization, as well as those who were internationally recruited at the duty station.

7. If the staff member is evacuated to the authorized destination, the security evacuation allowance will be paid at the rates specified in paragraph 3 (a) above.

8. If the staff member is outside the duty station at the time of evacuation, he or she will normally be entitled to the security evacuation allowance only as of the expected date of return to the duty station (that is, upon expiration of any period of authorized home leave, annual leave, sick leave or official mission).

9. If the staff member does not join his or her eligible family members immediately following evacuation (for example, he or she is sent on mission), he or she will be entitled to the security evacuation allowance only on the date of his or her actual arrival at the place of home leave or any other location.

E. Travel to the country of home leave or country of the staff member's choice

10. The cost of travel on security evacuation will be based on the destination authorized by the Under-Secretary-General for Safety and Security. The staff member may choose to travel to (a) the destination authorized by the Under-Secretary-General for Safety and Security; (b) the country of home leave; or (c) the country of his or her choice. If the staff member and/or eligible family members choose to travel to the country of home leave or to the country of his or her choice instead of to the authorized destination, the travel expense may be reimbursed up to the cost of travel to the authorized destination or it may be processed under the home leave entitlement. During the period of evacuation status in the home country, security evacuation allowance will be paid in respect of the staff member and each eligible family member at the rates specified in paragraph 3 above.

11. When security evacuation is authorized to the country of home leave and where a staff member and/or eligible family members cannot return to the home country owing to "personnel restrictions" for security purposes or for political reasons, evacuation to a country of the staff member's choice may be authorized. When the reason for requesting travel to a country of the staff member's choice is solely for the personal convenience of the staff member, travel expenses to be borne by the organization will not exceed the costs that would have been payable to the home country.

F. Provisions applicable in respect of eligible family members

12. For the purpose of determining eligibility for payment of security evacuation allowances and travel entitlements, eligible family members shall be those recognized family members of an internationally recruited staff member who travelled and were installed at the duty station at the expense of the organization and/or reside at the duty station with the staff member.

(a) If the eligible family members are evacuated to the destination authorized by the Under-Secretary-General for Safety and Security, security evacuation allowance will be paid at the rates specified in paragraph 3 (b) above;

(b) If the eligible family members are evacuated to the destination authorized by the Under-Secretary-General for Safety and Security, but not the staff member, the first eligible family member will be paid at the higher rate of security evacuation allowance;

(c) If the staff member is authorized to return to the duty station and some or all eligible family members are unable to return owing to specific “family restrictions” that may be in force for security purposes, the first eligible family member who remains outside the duty station will be paid at the higher rate of security evacuation allowance;

(d) If the staff member is sent on a mission (and receives the relevant daily subsistence allowance), then the first eligible family member will be paid security evacuation allowance at the rate applicable to the staff member;

(e) If the eligible family members are outside the duty station at the time of evacuation, the allowance will be payable:

(i) Effective the date they are joined by the staff member in the country of evacuation;

(ii) On the expected date of return to the duty station (when the staff member remains at the duty station);

(f) In the case of a dependent child studying at a location (other than the staff member’s official duty station) when “family restrictions” for security purposes have been declared, travel at the expense of the organization will normally be authorized on the basis of education grant or home leave travel. Security evacuation allowance will not be payable in this instance;

(g) In the case of a dependent child on a visit at the staff member’s duty station when “family restrictions” for security purposes have been declared, the travel at the expense of the organization will be authorized under the education grant and/or home leave travel. Security evacuation allowance will not be payable;

(h) In the case of a dependent child studying at the staff member’s duty station when “family restrictions” for security purposes have been declared, the following shall apply: when the child needs to attend a second school owing to the declaration of “family restrictions” for security purposes, additional education grant for attending the second school may be authorized for the same period, provided that the staff member can demonstrate that she or he has made every reasonable effort to obtain reimbursement of advance school fees from the school at the duty station from which the child was evacuated or relocated. Under these circumstances, security evacuation allowance is applicable, but the lump sum for the board element of the education grant will not be payable.

G. Emoluments applicable during evacuation

13. When evacuation has officially been declared for the duty station by the Under-Secretary-General for Safety and Security, he or she has the authority to order the evacuation of internationally recruited staff and their eligible family members to an authorized destination. If the cost of travel to the home country from the duty station is lower than that to the authorized destination, direct travel to the home country may be authorized, whenever logistically possible.

14. During the period of evacuation to the authorized destination, staff members will continue to be paid their net base salary plus post adjustment, mobility hardship allowance applicable at the official duty station,[b] and rental subsidy of the official duty station plus the security evacuation allowance (in respect of the staff member and each eligible family member).

15. If staff members and/or their eligible family members are not authorized to return to the duty station within 30 days following the evacuation, each organization will decide with regard to:

(a) Reassignment, temporary or otherwise, of the staff member together, as applicable, with his or her eligible family member;

(b) Travel to the home country.

H. Limitations on payment of security evacuation allowance

16. A security evacuation allowance is normally paid for a maximum period of six months, after which the evacuation status is normally either lifted or the duty station declared as non-family.

17. A duty station may be declared as non-family prior to the six-month mark following evacuation, as the situation in question could be assessed at the three-month mark. At that time, the Under-Secretary-General for Safety and Security would review the situation and advise the Chair of the Commission. At the six-month mark the definitive decision on the family or non-family status would normally need to be made by the Chair of the Commission after consultation with the Department of Safety and Security. The designation of the duty station as non-family triggers payment of the additional hardship allowance.[c]

18. When an evacuation continues beyond six months and the duty station has not been declared as non-family, an extended monthly security evacuation allowance set at the same amount as that provided under the additional hardship allowance payable at non-family duty stations applies.

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[b] The "official duty station" may be the administrative place of assignment for staff members of organizations who still apply the special operations area approach during the transition period that ends on 30 June 2016.

[c] During the transition period from July 2011 to July 2016, transitional measures for the progressive replacement of special operations living allowance and extended monthly security evacuation allowance by the additional hardship allowance are in place, and unified special operations living allowance rates are being promulgated by ICSC during the transition period to ensure harmonization. The unified special operations living allowance rates are gradually reduced until the allowance is discontinued on 30 June 2016 and all staff assigned to place of duty receive additional hardship element paid at the place of duty effective 1 July 2016.

19. The security evacuation allowance is not applicable in cases of evacuation to the staff member's administrative place of assignment[d] where the staff member and his or her eligible family members have been installed.

I. Review/adjustment procedure

20. The security evacuation allowance is reviewed every three years, at the same time as the review of the amounts for the mobility and hardship allowances.

Overview of security evacuation allowance

Reason/duration	*Staff member alone*	*Eligible family members*	
Evacuation outside the duty station country (safe haven, home country, third country) *Maximum of six months*	$200 per day for up to 30 days, and thereafter $150 per day until the staff member returns to the duty station, or is reassigned to another location, or for a maximum period of six months.	$100 per day in respect of each eligible family member for up to 30 days, and thereafter $75 per day until the staff member returns to the duty station, or for a maximum period of six months.	
Shipping entitlements and terminal expenses *One-time*	A single lump-sum payment of $500 is made to the staff member who was installed at the duty station when he/she was evacuated or his/her eligible family members were evacuated (it is not necessary that the staff member actually be evacuated). This is a one-time payment for the staff member and all of his/her eligible family members even if they are evacuated at different times. The amount is the same regardless of the number of dependants. Terminal expenses are included in the lump-sum payment.		
If an evacuation continues beyond six months, and the duty station was not declared as a non-family duty station *Beyond six months*	Extended monthly security evacuation allowance set at the same amount as that provided under the additional hardship allowance payable at non-family duty stations is applicable (for ease of reference, prorated monthly amounts are provided below in United States dollars)		

	Group 1 (P-1 to P-3)	*Group 2 (P-4 to P-5)*	*Group 3 D-1 and above*
With dependant	1 453	1 743	1 938
Single	545	654	727

Abbreviations: P, Professional category; D, Director category.

[d] Under the special operations approach applied by some organizations, staff members required to work in non-family locations have been assigned to a nearby, safer location with the necessary infrastructure in terms of medical and educational facilities and good communication links, where the staff member can establish a home base, known as the administrative place of assignment. This approach will continue to apply during the five-year transitional period; that is, until July 2016.

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