A/78/30

United Nations

Report of the International Civil Service Commission for 2023

General Assembly

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Seventy-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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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
COVID-19	Coronavirus disease
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
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNIDO	United Nations Industrial Development Organization
UNISERV	United Nations International Civil Servants Federation
UNWTO	World Tourism Organization
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

The glossary of technical terms can be found in a separate document on the website of the International Civil Service Commission at: https://unicsc.org/Home/Library.

Letter of transmittal

Letter dated 18 August 2023 from the Chair of the International Civil Service Commission addressed to the Secretary-General

I have the honour to transmit herewith the forty-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 the present 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*) Larbi **Djacta**
Chair

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. Remuneration of staff in the Professional and higher categories
	1. Base/floor salary scale
35 and annex III	The Commission recommends to the General Assembly, for approval with effect from 1 January 2024, the revised unified base/floor salary scale, as well as the updated pay protection points for the Professional and higher categories, as set out in annex III to the present report, reflecting a 4.62 per cent adjustment, to be implemented by increasing the base salary and commensurately decreasing post adjustment multiplier points, resulting in no change in net take-home pay.
	2. Evolution of the United Nations/United States net remuneration margin
52 (a) and annex V	The Commission reports to the General Assembly that the margin between the net remuneration of United Nations officials in the Professional and higher categories in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C., was estimated at 113.3 for the calendar year 2023.
	3. Children's and secondary dependants' allowances: review of methodology and level
125	The Commission reiterates its recommendation to the General Assembly that, following a review of the feasibility of using a means-testing approach, as from 1 January 2024:
	(a) The child allowance be set at $3,322 per annum;
	(b) The allowance for a child with disabilities be set at $6,644 per annum;
	(c) The secondary dependants' allowance be set at $1,163 per annum;
	(d) At hard-currency duty stations, the United States dollar amount of the allowances, as established in subparagraphs (a) and (b) above, be converted to the local currency using the official United Nations exchange rate as at the date of promulgation and remain unchanged until the next biennial review;
	(e) The dependency allowances be reduced by the amount of any direct payments received by staff from a Government in respect of dependants;
	(f) Any transitional measures remaining in effect as a result of the revised methodology of 1 January 2009 would be discontinued in accordance with the Commission's earlier decision to discontinue such transitional measures upon the completion of two review cycles (A/63/30, para. 129 (d)).

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. Conditions of service applicable to both categories of staff
	1. Danger pay
210–212	The financial implications associated with the proposed increase in danger pay amounts for both Professional and locally recruited staff, effective 1 January 2024, were estimated at $9.9 million per annum system-wide.
	B. Remuneration of staff in the Professional and higher categories
	1. Base/floor salary scale
32 and annex III	The financial implications associated with the Commission's recommendation to increase the base/floor salary scale, as set out in annex III to the present report, were estimated at approximately $2.559 million per annum system-wide.
	2. Children's and secondary dependants' allowances: review of methodology and level
124	The financial implications arising from the proposed methodology were estimated at $16.2 million per annum system-wide.
	3. Hardship allowance: review of level
166 and annex VI	The financial implications of granting a 3.1 per cent increase for the hardship allowance, effective 1 January 2024, were estimated at $5 million per annum system-wide.
	4. Mobility incentive: review of level
190	The financial implications associated with the proposed increase in the mobility incentive, effective from 1 January 2024, were estimated at $2.5 million per annum system-wide.

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, 16 organizations have accepted the statute of the Commission and, together with the United Nations itself and its funds and programmes, 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] Therefore, 28 organizations, agencies, funds and programmes (hereinafter “organizations”) cooperate closely with the Commission and apply the provisions of its statute.

3. Following the amendments approved by the General Assembly, in its resolution 77/256 A of 30 December 2022, to articles 10 and 11 of the ICSC statute, the governing bodies of the member organizations are in the process of accepting those amendments. A list of organizations that have notified the Secretary-General in writing of their acceptance of the amendments, in accordance with article 1.3 of the statute, can be found in annex VII to the present report.

B. Membership

4. The membership of the Commission for 2023 is as follows:

Chair:
Larbi Djacta (Algeria)* (Chair)***

Vice-Chair:
Boguslaw Winid (Poland)*** (Vice-Chair)**

Members:
Andrew Bangali (Sierra Leone)***
Xavier Bellmont Roldán (Spain)***
Claudia Angélica Bueno Reynaga (Mexico)**
Spyridon Flogaitis (Greece)**
Igor Golubovskiy (Russian Federation)*
Misako Kaji (Japan)**
Pan-Suk Kim (Republic of Korea)*
Ali Kurer (Libya)***
Jeffrey Mounts (United States of America)**
Shauna Olney (Canada)**
João Vargas (Brazil)***

[1] ILO, FAO, UNESCO, ICAO, WHO, UPU, ITU, WMO, IMO, WIPO, IAEA, UNIDO, UNWTO, the International Seabed Authority, the International Tribunal for the Law of the Sea and the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization.

[2] IFAD.

Xiaochu Wang (China)*
El Hassane Zahid (Morocco)*

* Term of office expires 31 December 2024.
** Term of office expires 31 December 2025.
*** Term of office expires 31 December 2026.

C. Sessions held by the International Civil Service Commission and questions examined

5. The Commission held two sessions in 2023: the ninety-fifth, held at United Nations Headquarters in New York, from 20 to 31 March; and the ninety-sixth, held at ICAO in Montreal, from 10 to 21 July 2023.

6. At those sessions, the Commission examined issues that derived from decisions and resolutions of the General Assembly and 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 International Civil Service Commission for 2024–2025

7. The programme of work of the Commission for 2024–2025 is contained in annex I.

Chapter II
Reporting and monitoring

A. Resolutions and decisions adopted by the General Assembly at its seventy-seventh session relating to the work of the International Civil Service Commission

8. The Commission considered a note by its secretariat on the resolutions and decisions adopted by the General Assembly relating to the work of the Commission. In that note, the secretariat highlighted the statement made by the Chair of the Commission in November 2022 under agenda item 145 of the seventy-seventh session of the Assembly, entitled "United Nations common system".

9. Participants at the ninety-fifth session of the Commission were informed that, since the start of the COVID-19 pandemic, 2023 was the first year in which the Fifth Committee had met fully in person. The Committee had discussed the annual report of the Commission and asked detailed questions.

10. After having reviewed the proposals of the Commission and having received responses to the questions posed, the General Assembly adopted its resolution 77/256 A and B without a vote.

Discussion in the Commission

11. The representative of the Human Resources Network of CEB took note of the decisions of the General Assembly, adding that, while the requests and tasks were numerous and multifaceted, the Network wished to assure the Commission of the active cooperation of the organizations in addressing those requests. The representative noted the request by the Assembly for a detailed outline for the forthcoming comprehensive review of the compensation package and looked forward to the relevant discussion. In the Network's view, that would be an opportunity to jointly continue the reflection by all stakeholders of how the COVID-19 pandemic and other external factors were likely to change the work environment and modalities within the United Nations common system. The Network also took note of the request to the Secretary-General to provide to Member States, on an annual basis starting at the seventy-eighth session, comprehensive data on system-wide compensation costs for all staff categories, including all compensation package components, which would be addressed through a dedicated data collection exercise that was currently in the final stages of being prepared. The Network expressed satisfaction with the conclusions on parental leave and stood ready to cooperate with the Commission on the impact analysis and evaluation of the new provisions as requested by the Assembly.

12. The representative of FICSA, while appreciating the decision of the General Assembly to approve the recommended change in the base/floor salary scale, the new parental leave framework and the increase in the allowance for children with disabilities, noted with concern the Assembly's decision to approve only some of the Commission's recommendations. The representative questioned the rejection of the proposed increase in the children's and secondary dependants' allowances, which had remained unchanged since 2011. This was despite the concerted efforts by all stakeholders to revise the methodology in 2022, which had resulted in a considerable reduction in the proposed increase. The Assembly's proposal to review the feasibility of applying a means-tested methodology was, in the Federation's view, unprecedented and was a cause for concern. It was also worrisome that the proposed increases of the hardship allowance and mobility incentive had not been supported by the Assembly. According to FICSA, mobility was a prerequisite for the United Nations system to effectively deliver on current and future mandates and to meet rapidly changing and

evolving operational needs. The common system was able to ensure that the right people were in the right place at the right time only when its greatest asset, the staff, were motivated and received appropriate compensation, financial and otherwise, for moving between duty stations and organizations and serving at hardship duty stations. While non-financial incentives, such as career development, could in some cases partly contribute to mobility, such incentives alone would not promote staff mobility and could be counterproductive. FICSA added that staff members in hardship locations had remained fully committed to the United Nations principle of leaving no one behind and had continued to work and live under security threats and exposure to difficult environments and in conditions that were unfavourable to a healthy lifestyle. Fair financial incentives would be very helpful to staff challenged by those hardship conditions. The reference by the Fifth Committee to the global financial challenges faced by Member States, which will have an impact on the consideration by the Assembly in 2023 of the cost implications of the decisions and recommendations of the Commission, caused FICSA to question the possibility of the common system remaining an employer of choice when so many limitations were being placed on possible investment in staff. In the Federation's view, there needed to be more investment in staff to achieve long-term stability and to guarantee the future of an independent international civil service.

13. The representative of CCISUA expressed the appreciation of CCISUA for the new parental leave framework, adding that it helped in modernizing the common system, making it more attractive to young employees at a time when the focus was on rejuvenating the workforce. CCISUA regretted that some organizations had decided not to apply the new policy for staff who became parents in 2022. It also regretted the fact that the General Assembly was silent on the harmonization of leave days between staff on temporary appointments and those on fixed or continuing contracts and asked that ICSC resubmit its recommendation to the Assembly at its next session. While CCISUA was pleased to note that the allowance for children with disabilities had been increased, it was disappointed that the recommendation to increase children's and secondary dependants' allowances had not been approved; considering this, CCISUA recalled that international staff members were deprived of that social benefit in their home country once they joined the common system organizations. CCISUA therefore asked that ICSC revisit that element of compensation during its review of the compensation package.

14. The representative of UNISERV thanked and congratulated ICSC and all stakeholders for the historic achievement with respect to the new parental leave framework. UNISERV pledged its commitment to assist the Commission in assessing the new scheme as well as in supporting the Commission in its preparation of the comprehensive review. It regretted the fact that the General Assembly did not endorse the ICSC proposal on standards of accommodation for air travel but encouraged the Commission to keep the item open as its main concern was the elimination of the dual threshold for business class travel, which according to the Federation led to inefficiencies and delays in purchasing tickets. UNISERV felt gratified that the Advisory Committee on Administrative and Budgetary Questions held similar views. UNISERV also voiced its concern that the Assembly had not endorsed the Commission's proposal for an increase in the children's and secondary dependants' allowances. Like the other staff federations, it was alarmed by the Assembly's request to consider a means-tested methodology and added that there were strict rules in place prohibiting outside employment of common system staff, so the "means" of all common system staff were transparent and known to their respective employers. UNISERV was encouraged by the Assembly's interest in other ongoing areas of work of the Commission, namely standards of conduct and multilingualism.

15. Members of the Commission took note with appreciation of the General Assembly resolution and were particularly grateful for the acceptance of its decision on the new parental leave framework. It was a matter of concern, however, that, despite having requested detailed information, the Assembly had approved only some of the Commission's recommendations. The Chair highlighted that the Commission was an independent entity created to preserve the conditions of service of the common system and should conduct its work independently, making recommendations necessary to ensure that the common system remained fit for purpose and an employer of choice. Some Commission members highlighted the importance of better understanding the context of the decisions taken by the Fifth Committee and expressed support for increased efforts and information in that regard.

16. While some members of the Commission were disappointed that not all of the recommendations had been approved, others saw the resolution as encouraging because there were many positive aspects to it. Commission members highlighted the fact that the General Assembly appreciated its work, had welcomed the new parental leave framework, had agreed to amend the statute, had approved an increase in the allowance for children with disabilities, had provided guidance in some areas and had requested further review in others. Furthermore, the fact that none of the Commission's proposals had been entirely discarded but that additional work had been asked of the Commission meant that Member States were interested in its proposals.

17. Lastly, members of the Commission agreed that more work needed to be done on the issues of multilingualism and mobility whereby more creative and non-financial options were required to encourage staff in those areas. In addition, more focus had to be placed on refining the methodology for the children's and secondary dependants' allowances as this review had been at the forefront since 2011. Commission members agreed that the hardship allowance should be reviewed as it was important that staff serving in the most difficult and challenging locations were adequately compensated.

Decision of the Commission

18. The Commission decided to continue its work in line with General Assembly resolution 77/256 A and B.

B. Monitoring of implementation of decisions and recommendations of the International Civil Service Commission and the General Assembly

19. The Commission considered a note by its secretariat on the implementation of decisions and recommendations of the Commission (under article 17 of its statute) and the General Assembly. A questionnaire had been disseminated by the secretariat to gather the relevant information, to which all common system organizations had responded.

20. The latest information provided by the organizations on the implementation of the new parental leave framework approved by the Commission in 2022 (A/77/30, para. 92) is shown in annex II. In the context of other related information, the Commission considered the adoption of the amendments to the ICSC statute decided upon by the General Assembly in its resolution 77/256 A, as well as the decisions of the Assembly at its resumed seventy-seventh session on human resources management in the United Nations Secretariat (resolution 77/278).

Discussion in the Commission

21. The representative of the Human Resources Network said that the Network had taken note of the information provided.

22. The representative of FICSA noted the 100 per cent response rate to the questionnaire by the organizations and said that the Federation hoped for the same reaction in any data collection for the comprehensive review so as to increase the confidence of Member States and staff. The representatives of FICSA, CCISUA and UNISERV expressed concern about the uneven implementation of the parental leave framework by some specialized organizations, stating that it was important to fully implement the new framework and demonstrate its uptake. The representative of FICSA noted that, while a deviation of two weeks from the approved framework as in the case of WIPO might not seem significant, it was important to ensure harmonization so as to avoid any perception that staff in particular organizations were being treated differently from those in other organizations, in particular when those differences in implementation were between organizations at the same duty station. Noting resolution 77/278, FICSA was of the view that the new framework could in some measure address the low representation of women in field operations, and, in that regard, CCISUA considered that updating the level of some allowances would be important. Also, while FICSA supported increased employment opportunities at the entry level, it was cautious about the downward reclassification of higher-level posts. Lastly, FICSA noted the slow but steady acceptance of the amendments to the ICSC statute, which it hoped would result in stability in the post adjustment for staff, in particular in Geneva.

23. The Commission noted with appreciation that all organizations of the common system had once again responded to the questionnaire by its secretariat and underscored the need for continued cooperation and coordination between the organizations and its secretariat in that regard. The Commission welcomed the acceptance by some organizations of the amendments to its statute as decided by the General Assembly and noted that acceptance of the amendments to its statute by the remaining organizations was expected at the forthcoming meetings of their respective governing bodies. The Commission underscored the importance of the issue for the cohesion of the United Nations common system and urged the organizations to take the action required to accept the amendments expeditiously, with particular concerns raised about those organizations that did not seem to have placed the issue on the agenda of their governing bodies. The Human Resources Network clarified that the matter was more a practical issue created by the different meeting schedules of the governing bodies of the organizations. In this context, the Commission urged all relevant organizations to implement the appropriate post adjustment multipliers.

24. The Commission was appreciative of those organizations that had implemented the new parental leave framework in full. In this regard, some members of the Commission lauded the additional support provided by WHO and UNAIDS to parents in the case of multiple births. The Commission, while recognizing that some of the governing bodies of the remaining organizations were expected to take action on the matter at their forthcoming meetings, expressed concern that a few organizations had not indicated a time frame for implementation (International Seabed Authority and International Tribunal for the Law of the Sea) or had not fully implemented the framework (WIPO), and highlighted that this would continue the inequities of the past. One member noted that the secretariats of some organizations had introduced the non-obvious term “birthing parent” in their relevant policies, the meaning of which had not been previously discussed in the Commission. The Commission reiterated its expectation that all organizations would implement the new framework in full at the earliest opportunity in accordance with the principles of the common system and ensuring harmonization among organizations on this important issue. The Commission recognized that this was all the more important given the request by the General Assembly for the Commission to submit to it at its eightieth session an assessment and review of the implementation of the parental leave framework, with a detailed analysis of utilization data, staff satisfaction, expenditure, the incentive

function of the new framework and its impact on the workforce in the common system, in particular in terms of job attractiveness and workforce retention.

25. On the issue of standards of accommodation for air travel, the Commission considered General Assembly resolution 77/263 B and noted that the Assembly had not finalized a decision on the use of a single threshold for upgrading to business class but would take this up again at its seventy-ninth session. The Commission therefore agreed that it would reconsider the matter with sufficient time given for further analysis, and possibly revert to the pilot study that it had invited the organizations to conduct in 2022 (A/77/30, para. 132 (b)), at a later stage.

26. In reviewing the information on other human resources actions taken by the organizations, some members recalled the decisions of the Commission in the context of its monitoring of the age distribution of the workforce in 2021 and, in this regard, noted the request to the Secretary-General by the General Assembly in its resolution 77/278 on possible measures to recruit and retain talent with new perspectives. Some Commission members also expressed the view that, given the increasing proportion of earmarked funding, the organizations should ensure that the full overhead cost of any associated posts was recovered from those sources as this would ensure that the regular budget could be used to create additional entry-level posts. Some other Commission members, while supportive of increasing the number of entry-level posts at the Professional level (P-1 to P-3), expressed the view that reducing the number of senior-level posts (D-1 and above) through downward job reclassification or abolishment should be managed cautiously and implemented in a reasonable manner in order to avoid any issues of low morale among staff. One member stated that, from the information provided, it appeared that some organizations continued to use an extremely broad and rather questionable interpretation of the term “diversity”, rather than the interpretation of the Commission approved in 2018.

27. Some Commission members highlighted that, in its resolution 77/278, the General Assembly had noted the continued low representation of women in field operations and had reiterated the importance of increasing the representation of women and avoiding any discriminatory practices. Some Commission members also noted the continued attention, by the governing bodies of the organizations, given to the issue of sexual exploitation, abuse and harassment and expressed the view that the Commission should address the issue, including in the context of the ongoing review of the standards of conduct for the international civil service.

Decisions of the Commission

28. The Commission decided to:

(a) Request the organizations that had not yet done so to accept and implement the amendments to its statute as decided by the General Assembly in resolution 77/256 A, at the earliest opportunity, and to apply the official post adjustment multipliers without delay;

(b) Request the organizations that had not yet done so to fully implement the new parental leave framework without delay, in accordance with its decision in 2022 (A/77/30, para. 92);

(c) Further review the standards of accommodation for air travel at a later stage after the General Assembly has finalized its decision on the use of a single threshold for upgrading to business class, and possibly revert to the pilot study at a later stage;

(d) Request its secretariat to provide an update on (a) and (b) above at its ninety-seventh session.

Chapter III
Conditions of service of the Professional and higher categories

A. Base/floor salary scale

29. The concept of the base/floor salary scale was introduced, with effect from 1 July 1990, by the General Assembly in its resolution 44/198 (sect. I. H, para. 1). The scale is set by reference to the General Schedule salary scale of the comparator civil service, currently, the federal civil service of the United States of America. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials at the established reference point of the scale (P-4, step VI) with the corresponding base salaries of their counterparts in the United States federal civil service (step VI in grades GS-13 and GS-14, with weights of 33 per cent and 67 per cent, respectively).

30. A 4.1 per cent increase in the base General Schedule scale of the comparator civil service was implemented with effect from of 1 January 2023. In addition, tax changes were introduced in the United States in 2023. In the federal tax system, the income levels of tax brackets and the standard deduction amounts were increased. Standard deduction amounts were also adjusted in the State of Maryland and the State of Virginia. No changes were registered in the tax legislation of the District of Columbia in 2023.

31. In order to reflect the combined effect of the movement of gross salaries under the General Schedule and the tax changes in the United States and to maintain the common system salaries in line with those of the comparator, an increase of 4.62 per cent in the base/floor salary scale with effect from 1 January 2024 was proposed. In addition, in accordance with General Assembly resolution 70/244 of 23 December 2015 (sect. III, paras. 9 (a) and (b)), the adjustment to the salary scale should also be applied to the pay protection points for staff whose salaries were higher than those at the maximum steps of their grade upon conversion to the unified salary scale. The proposed salary scale and pay protection points are shown in annex III to the present report.

32. The annual system-wide financial implications resulting from an increase in the base/floor salary were estimated as follows:

(United States dollars)

(a)	For duty stations with low post adjustment where net remuneration would otherwise fall below the level of the new base/floor	0
(b)	In respect of the scale of separation payments	2 559 000

Discussion in the Commission

33. The representative of the Human Resources Network concurred with the recommended 4.62 per cent increase of the base/floor salaries as from 1 January 2024. The representatives of the staff federations, noting the increase in the comparator civil service base salaries, also supported the increase in the base/floor salary scale.

34. The Commission agreed with the proposed 2024 increase in the base/floor salary, which would be implemented through the standard no-gain/no-loss consolidation procedure, namely by increasing the base/floor salary scale and commensurately decreasing post adjustment multipliers. In accordance with resolution 70/244, this procedure would also be applied to adjust the pay protection points. The Commission noted that, except for some minor rounding-related changes, the application of this

procedure did not affect the overall level of net remuneration, which was updated independently from the revisions to the base/floor salary scale through the post adjustment review mechanism.

Decision of the Commission

35. The Commission decided to recommend to the General Assembly that it approve, with effect from 1 January 2024, the revised unified base/floor salary scale as well as the updated pay protection points for the Professional and higher categories, as shown in annex III to the present report, reflecting a 4.62 per cent adjustment, to be implemented by increasing the base salary and commensurately decreasing post adjustment multiplier points.

B. Pensionable remuneration: review of the common scale of staff assessment

36. Under its standing mandate from the General Assembly, as requested in section I of Assembly resolution 41/208, the Commission regularly monitors the pensionable remuneration for staff in the Professional and higher categories of the United Nations. In the most recent review of pensionable remuneration, conducted at the eighty-seventh session in 2018, the Commission concluded that a five-year review cycle of the common scale of staff assessment should continue.

37. The common scale of staff assessment, together with net remuneration and grossing-up factors, determine the levels of pensionable remuneration for staff in the Professional and General Service categories. The scale was established on the basis of the levels of taxation at eight headquarters duty stations (Geneva, London, Madrid, Montreal, New York, Paris, Rome and Vienna).

38. As part of the current review, the changes in the average tax rates since the previous review at the eight locations were analysed. The movement of tax rates is used as an indicator to assess the need, direction and magnitude of any update to the common scale of staff assessment. The analysis showed that the movement of tax rates differed in magnitude by location and income level. Some locations experienced a reduction (Geneva, Montreal and Rome), while others experienced an increase in tax rates (London, Paris and Vienna). In two locations, the variation was mixed (Madrid and New York) as tax rates at lower income levels were reduced between 2017 and 2022 while rates at higher income levels increased. The overall difference in the tax rates for the selected locations and income levels amounted to 0.09 percentage points.

39. Given the minimal movement in average tax rates, in particular taking into consideration that the overall movement of tax rates was only 0.09 percentage points, and a mixed trend in average tax rates reflecting tax policies during an atypical period, an update to the common scale of staff assessment did not appear justified.

40. According to the established process, the scale of pensionable remuneration for the Professional and higher categories is recalculated at every review of the common scale of staff assessment using the pensionable remuneration formula, even if no revision of the common scale is proposed.

Discussion in the Commission

41. The representatives of the Human Resources Network and the staff federations concurred with the analysis and findings and recommendations to maintain the current levels of the common scale of staff assessment, and agreed with recommending to the General Assembly the implementation of the scale of pensionable remuneration and

pay protection points for staff in the Professional and higher categories, effective 1 January 2024.

42. The Commission, after reviewing the results of the analysis of tax rates at the eight headquarters duty stations and considering the minimal overall variation amounting to 0.09 percentage points, agreed to maintain the current common scale of staff assessment unchanged until the next comprehensive review of pensionable remuneration, scheduled for 2028.

43. Regarding the need to recalculate the pensionable remuneration scale, the Commission noted a clarification that such a recalculation would re-establish the formula-based link between net and pensionable remuneration, which had gradually been lost during uniform percentage-based interim adjustments of the pensionable remuneration scale. The Commission also noted that it would not be necessary to recalculate gross pensionable salaries of the General Service category because those salaries were calculated at every comprehensive salary survey.

44. As regards the impact of implementing the recalculated scale of pensionable remuneration, the Commission took note of the confirmation by the United Nations Joint Staff Pension Fund that such implementation was not expected to have a material impact on the actuarial position of the Fund.

Decision of the Commission

45. The Commission decided to recommend to the General Assembly that it maintain the current levels of the common scale of staff assessment and implement the recalculated scale of pensionable remuneration, effective 1 January 2024, as set out in annex IV.

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

46. Under a standing mandate from the General Assembly (resolution 44/198, sect. I.C, para. 4), the Commission reviews 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 tracks, on an annual basis, changes occurring in the remuneration levels of both civil services. In addition, in its resolution 71/264, the Assembly requested the Commission to include information on the development of the margin over time in an annex to its annual reports.

47. As at 1 January 2023, the comparator civil service implemented a 4.1 per cent increase in base salaries of federal employees under the General Schedule and other statutory systems. The locality pay applicable in Washington, D.C., increased from 31.53 per cent in 2022 to 32.49 per cent in 2023. Other developments relevant to the comparison were:

(a) Revisions to the federal tax brackets and the standard deduction amounts, as well as changes in the standard deduction amounts for the State of Maryland and the State of Virginia;

(b) An increase in the post adjustment multiplier for New York, from 69.9 for January to 80.58 as from 1 February 2023, owing to the normal operation of the post adjustment system, that is, the evolution of the cost-of-living at the duty station.

48. On the basis of the above, the Commission was informed that the estimated net remuneration margin for 2023 amounted to 113.3. The details of the comparison and

information on the development of the margin over time are shown in annex V to the present report.

Discussion in the Commission

49. The representatives of the Human Resources Network took note of the findings of the latest margin comparison. They also noted that the secretariat of the Commission would continue to monitor the margin level so that, should the margin fall below 113 or rise above 117, corrective action would be taken through the operation of the post adjustment system. The staff federations noted that the annual margin was within the established trigger levels of 113 and 117, and therefore no corrective action was necessary in 2023.

50. The Commission was informed that the updated margin had been estimated on the basis of the cost-of-living differential between New York and Washington, D.C., the personnel statistics from the comparator civil service for 2022 and the staff statistics from the United Nations common system for 2022. It was noted that the margin for 2023 was within the range of 110 and 120 approved by the General Assembly and lower than the desirable midpoint of 115. Furthermore, corrective action through the operation of the post adjustment system was not necessary since the trigger levels of 113 and 117 had not been breached.

51. Considering that the margin was a comparison of the net remuneration of the United Nations common system with the net salaries of the comparator's civil service, some members expressed their interest in comparing benefits and other elements of the package of both employers. In this regard, the Commission was informed that such comparisons had been undertaken by the Commission and reported to the General Assembly, including the comparison of the pension schemes and child and education benefits, and that such comparisons with the comparator's civil service could be done under the comprehensive review of the compensation package.

Decisions of the Commission

52. The Commission decided:

(a) To report to the General Assembly that the margin between the net remuneration of United Nations officials in the Professional and higher categories in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C., was estimated at 113.3 for the calendar year 2023;

(b) To continue to monitor the margin level so that corrective action could be taken as necessary through the operation of the post adjustment system should the trigger levels of 113 or 117 be breached in 2024.

D. Post adjustment issues

53. 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 its work at its forty-fourth session, covering the recommendations of the Advisory Committee regarding, inter alia:

(a) Adaptation of the approved methodology for application to field (group II) duty stations for the 2021 round of surveys;

(b) Review of web scraping and other big data sources in the context of post adjustment index calculations;

(c) Measures to mitigate or neutralize the effects of pure methodological change in post adjustment index calculations;

(d) Report on an investigation into the source of shocks in post adjustment index calculations;

(e) Report on proposals for the redesign of the ICSC secretariat information technology infrastructure (included as an "other business" item).

54. The Advisory Committee recommended the proposals for adaptation of the approved methodology for application to group II duty stations, as outlined by the secretariat, including the retention of the 2016-round methodology for the imputation of non-rental housing costs from renters to homeowners, which the Committee found reasonable, in view of the different costs incurred by these two groups and of the much smaller homeownership rates in group II duty stations. The Advisory Committee also recommended that the average housing costs, along with the adapted price database, for New York be used for comparisons with group II duty stations, as proposed by the secretariat.

55. The Advisory Committee reviewed the evaluation by the secretariat of the use of web scraping and scanner data as part of its regular price data collection activities, including a discussion of advantages and challenges associated with both big data sources. Based on considerations related to cost, efficiency, data quality and other constraints related to such methods of price data collection, the Advisory Committee recommended to the Commission that it maintain the currently approved standard operating procedures for price data collection, including in-person outlet visits, manual online price collection and other traditional approaches. However, it also recommended that the secretariat explore other innovative approaches, as available resources permitted, including the possibility of establishing agreements with regional or national statistical offices to gain access to their price data.

56. The Advisory Committee was requested to evaluate the technical soundness of two approaches proposed by the secretariat to neutralize the effects of pure methodological change on the post adjustment index, on either an indefinite or temporary basis. The proposed approaches were tested using two specific methodological changes that had been introduced with the 2021 round of surveys: the first concerning the treatment of homeowners, and the second about the inclusion of expenditure incurred on supplementary medical insurance in determining the medical insurance component of the post adjustment index. The Advisory Committee considered that a post adjustment index based on the approved methodology, procedures and guidelines, applied to new data, was the proper measure of the cost of living of a duty station relative to the base of the system and should not be subject to any modification based on non-statistical considerations. The Advisory Committee recommended to the Commission that, if needed, mitigation measures addressing the effects of methodological change be established within the context of the system of operational rules.

57. After reviewing the analysis by the secretariat of the sources of shocks in the determination of the post adjustment index, the Advisory Committee pointed out that the detection of change in cost-of-living relativities was in fact the measurement objective of the index. The Advisory Committee recommended to the Commission that the secretariat continue its investigation into the sources of shocks in the index calculations, with a view to proposing specific avenues, components and research methods to mitigate the effects of these shocks.

58. The Advisory Committee was informed of the plans to engage the United Nations International Computing Centre to conduct an external review of the secretariat's information technology infrastructure to identify its strengths,

weaknesses, opportunities for improvement and potential risks. A significant aspect of the review was the provision of advice regarding the migration of information technology infrastructure to the cloud. The Advisory Committee, with the concurrence of many participants on the need to modernize the ICSC information technology infrastructure, suggested that the secretariat should pursue an information technology infrastructure that would keep pace with rapid developments in technology, one that would facilitate the reproducibility of results, automation of the production of reports and the reusability of existing information technology solutions, among other features. The Advisory Committee also provided advice regarding various aspects of the project, including the need to ensure transparency, involvement of users and consideration not only of the advantages but also of the challenges. The Advisory Committee expressed strong support for the modernization project and recommended that the Commission provide further guidance on the next steps in the planning for the project.

Discussion in the Commission

59. In commenting on methodological issues, the representative of the Human Resources Network supported an explicit focus on the treatment of homeowners in the determination of the housing component of the post adjustment index. Regarding the use of web scraping, organizations maintained that, while this was justifiable under the unusual circumstances of the pandemic, it was not advisable to expand such practice further without prior in-depth studies and discussions. The discussions on the mitigation or neutralization of the effects of methodological change revealed a need for further discussion of the operational rules. The Network appreciated the opportunity to comment on the secretariat’s plans to improve its information technology infrastructure, given its potential not only to conduct internal work more efficiently but also to expand data-driven simulation capabilities and better collaboration with stakeholders within the United Nations system and possibly even beyond.

60. The representatives of the three staff federations informed the Commission that there had been general agreement and alignment between the proposals of the secretariat and the participants during the session of the Advisory Committee. The federations expressed appreciation for the secretariat’s openness to an in-depth discussion of data collection methodologies, as well as other areas, including cooperation with bodies such as Eurostat and national statistical offices, plans to upgrade the secretariat’s information technology infrastructure and continued efforts to keep abreast of best practices within the relevant subject areas. They concurred with the conclusions of the Advisory Committee relating to the methodological soundness of the current post adjustment system, noting the specific objective of collecting data every five years for the purpose of comparing cost-of-living data across all duty stations around the globe, each with unique challenges in terms of public health hazards, inflation and currency exchange rate movements, among others. They pledged to work with ICSC in all forums to ensure that simplicity, transparency, clear communication and staff trust remained at the core of the post adjustment system. They also expressed support for plans for the modernization of the information technology infrastructure of the ICSC secretariat, concurring that the Untied Nations International Computing Centre was well placed to conduct the initial review, but emphasized the need for ownership of the process by the secretariat, and highlighted the importance of involving stakeholders in the process, thereby ensuring transparency.

61. Commission members welcomed the important technical role played by the Advisory Committee in the operation of the post adjustment system, devoid of political or other operational considerations. They considered that the post adjustment

was a variable element of compensation, which could increase or decrease, and that stakeholders should not consider that only increases were acceptable. They agreed with the view of the Advisory Committee that mitigation measures to address the effect of methodological change should be established in the context of the operational rules; and including such measures in the compilation of the post adjustment index would distort and politicize a technically sophisticated methodology. With regard to using the 2016 methodology for the imputation of non-rental housing costs, the Commission agreed that this would be appropriate in the context of group II duty stations and welcomed the further review of the new methodology in the context of group I duty stations during the next meeting of the Advisory Committee.

62. In discussing the use of big data and, in particular, web scraping, the Commission called on its secretariat to continue to explore innovative approaches to gathering data, keeping in mind the cost of traditional data collection methods, including valuable staff time invested in the survey process. The objective should be to collect data and to have information technology systems that were fit for purpose; therefore, it was also appropriate to keep the use of big data under review, as the General Assembly had also been expressing interest in automated approaches to doing business. There were potential benefits to using, or simply studying, big data, even though adopting related techniques as part of regular production had to take into account budgetary implications. Some Commission members mentioned the need for ICSC to have adequate budgetary capacity to take advantage of investment in opportunities that could lead to long-term reductions in costs, such as exploring web scraping and developing new technological infrastructure.

63. The Commission welcomed the secretariat's plans to review its information technology infrastructure, suggested that cybersecurity be included in the review and concurred with the secretariat's proposal for the use of a modular costing approach, since there were still no indications as to the magnitude of the costs involved. It considered that the project represented a significant investment and looked forward to examining the results of the external review and costing of the project at its next session. The Vice-Chair added that the initial objective of the review was to provide an analysis of the status of the current information technology infrastructure, to determine how it should be modernized, and to specify a project implementation schedule and estimates of the cost. Considering the rapid developments in the information technology field, the Commission concurred with the Advisory Committee that modernization of the information technology infrastructure was needed to keep pace with new developments.

Decisions of the Commission

64. The Commission decided to approve:

(a) All recommendations of the Advisory Committee on Post Adjustment Questions, as outlined in its report;

(b) The proposed agenda for the forty-fifth session of the Advisory Committee, as outlined in appendix IV to the report of the Committee, in principle, pending its finalization after consultations with members of the Advisory Committee and stakeholders.

E. Post adjustment matters: report on the possibility of using external data for staff expenditure surveys and other pertinent items in the next round of cost-of-living surveys

65. The Commission considered a note by its secretariat containing a report of the Advisory Committee on Post Adjustment Questions in response to the request by the General Assembly, in its resolution 76/240, for the Commission to investigate the feasibility of using external data, in lieu of staff expenditure surveys, as a source of expenditure weights used in post adjustment index calculations.

66. In its note, the secretariat described the existing methods of obtaining data for each major component of the post adjustment index and explained that the current staff expenditure survey had been redesigned for the 2021 round to better capture spending patterns of common system staff in the Professional and higher categories. The secretariat also provided details of previous studies on the use of external data for expenditure weights in lieu of staff expenditure surveys, clarifying that previous discussions on this topic were focused on the use of data from external sources only as a contingency plan, in case the response rate of staff in the expenditure surveys was deemed to be inadequate or unreliable. There were two alternative external sources for the expenditure weights, namely the consumer price index/harmonized index of consumer prices from national statistics offices and data from the Eurostat/International Service for Remunerations and Pensions family budget survey.

67. The secretariat emphasized that the use of external sources of data for weights was contingent upon such deviations from the approved methodology as specifying weights for medical, pension and out-of-area components and considering housing as a residual, along with the in-area (excluding housing) component. The secretariat explained that the structure of the consumer price index/harmonized index of consumer prices was mapped to that of the post adjustment index, which consisted of 80 basic headings for eight headquarters duty stations and Washington, D.C. It was found that basic headings were difficult to map for certain duty stations, and that housing weights from consumer price index/harmonized index of consumer prices data were not reliable for most European duty stations, in part because the rent proportions of the housing weight were relatively low. As a result, the post adjustment index was recalculated only for New York, Washington, D.C., Montreal and Geneva, and the results showed that the post adjustment index using the consumer price index/harmonized index of consumer prices was slightly higher than that from using weights based on ICSC surveys, owing primarily to the mapping exercise, which resulted in the redistribution of weights across basic headings.

68. The secretariat explained that housing weights for non-European Union duty stations were not available from the Eurostat/International Service for Remunerations and Pensions family budget survey source, and that this made it impossible to conduct a comprehensive comparative analysis up to the post adjustment index level. Even though an approximate mapping exercise was done using both the “one to many” and “many to one” approaches, the absence of weights that could be used to split the aggregated data led to distortions in the aggregation of lower-level indices. The secretariat presented the results based on the ICSC and Eurostat/International Service for Remunerations and Pensions family budget survey weights along with a comparison table of weights by dwelling class based on the ICSC and Eurostat/International Service for Remunerations and Pensions family budget survey data.

69. The secretariat stressed that external sources, such as the national statistics offices and Eurostat/International Service for Remunerations and Pensions, were the most likely sources of data. However, the feasibility of using such data varied from duty station to duty station, depending on the structure and content of the basket of

goods and services. The secretariat emphasized that, unless there was complete harmonization with the basic heading structure of ICSC, perfect matching would not be achieved, owing to distortions in the mapping and, therefore, inevitable deviations from the current methodology. It also highlighted that the use of external data could have a more widespread impact on group II duty stations, since data from the staff expenditure survey questionnaire were used to calculate both the weight and the index of the housing component. The current ICSC survey programme had gained credibility and reputation among external partners and, as a seemingly indispensable source of weights for post adjustment index calculations, the secretariat planned to continue to build on the lessons learned from the 2016 and 2021 rounds of surveys in order to improve the organization of its survey programme, increase stakeholder engagement and enhance the survey instruments.

70. After careful consideration of the findings presented by the secretariat at the session and the views expressed by stakeholders, the Advisory Committee decided to recommend to the Commission that the secretariat maintain the use of staff expenditure surveys for collecting the data necessary for the estimation of expenditure weights used in post adjustment index calculations.

Discussion in the Commission

71. The representative of the Human Resources Network concurred with the conclusions of the Advisory Committee on the feasibility of using external data sources for weights and expressed confidence in the efficacy of the staff expenditure survey for this purpose, adding that the organizations would continue to support the conduct of the survey because it enhanced transparency and trust in the post adjustment system. The representative suggested that the use of external data be limited to situations in which ICSC data were not available or reliable, adding that the external data currently used for the rent comparison needed to be reviewed further in a bid to increase transparency.

72. The representative of FICSA concurred with the recommendations of the Advisory Committee, noting that the external data reviewed were similar to the ICSC data but were not fit for purpose. While stressing that the use of external data should be limited, she expressed concern about the lack of staff participation in the surveys and suggested that this issue be given a high priority for the future. The representative of CCISUA pointed out that the concerns about external data were about comparability and transparency as well as suitability with the unique ICSC methodology. He stressed that it was important to verify the feasibility of using external data while at the same time ensuring that they could be matched to the particular spending patterns of a globally diverse international civil service, as opposed to a population of only one country or region, that they were comparable across all duty stations and not just some and that they were transparent and well governed. In addition, he confirmed that the current survey questionnaire had been modernized and took only 45 minutes to complete every five years, and so was not particularly burdensome for staff. The representative of UNISERV stressed the importance of staff motivation and participation in the expenditure survey and concurred with the proposal for the continued use of staff expenditure surveys.

73. Some members of the Commission emphasized the need for the Commission to clarify to the General Assembly that the data collected in the staff expenditure surveys were used solely for the determination of weights for all duty stations but that, in the case of the group II duty stations, it was used also for the indices of other components, including the housing index. Some members of the Commission expressed concern about the level of detail in the post adjustment index structure, in particular regarding the establishment of weights at elementary levels. It was noted that, at a more generalized level, the weights were broadly aligned. They suggested that a review of

the structure should be conducted, with the objective of simplifying it in a manner that would permit the use of data for expenditure weights from external sources, as part of the preparations for the next round of surveys, and that the issue of the use of external data for both expenditure weights and prices should be considered for inclusion in the agenda for a future session of the Advisory Committee. Some members of the Commission noted that, while a certain level of granularity was necessary to ensure precision, it complicated the data collection process, perhaps excessively, and highlighted the need to strike a balance.

74. Recognizing the differences in classifications and structures among various sources, a member of the Commission acknowledged that limited progress had been made in incorporating external data into post adjustment index calculations in spite of several requests from the General Assembly. While the utilization of external market rent data provided by the International Service for Remunerations and Pensions was seen as a positive step forward, the member recommended that the Commission should explore gradual approaches to incorporating external data for the other components of the index. Another Commission member emphasized the importance of improving the data collection approach by considering alternative sources of external data. In the course of the deliberations of the Commission, a picture that emerged was that the current manner of reporting expenditure could realistically fall short of accuracy, even though done with full compliance, spending staff time and energy, and the root cause of this seemed to be in the “granularity” of the information elicited.

Decisions of the Commission

75. The Commission decided to inform the General Assembly that after due consideration of the views expressed during the deliberations at the forty-fourth session of the Advisory Committee, and noting that the expenditures reported by staff were used mainly for weights, except for the housing component, for which they are used for both weights and indices for group II duty stations, it had decided to endorse the recommendations of the Advisory Committee, namely that the secretariat should:

(a) Continue to utilize staff expenditure surveys to collect the data necessary for the expenditure weights used in post adjustment index calculations and, in the absence of statistically reliable ICSC data, supplement it with external data where appropriate and relevant;

(b) Request the Advisory Committee to conduct a review of the post adjustment index structure to examine the possibility of simplifying it in a manner that would facilitate the use of data from external sources for the derivation of expenditure weights.

F. Post adjustment matters: study on the feasibility and impact of establishing a separate post adjustment index for Bern

76. The Commission considered a note by its secretariat that contained the recommendations of the Advisory Committee on Post Adjustment Questions in response to a request by the General Assembly in its resolution 76/240 for the Commission to study the feasibility and impact of establishing a separate post adjustment for Bern. At its forty-fourth session, the Advisory Committee reviewed the results of the study conducted by the secretariat on the issue. The study included a comparative analysis of the current approach for determining the post adjustment for Bern, setting it equal to that of Geneva, versus that based on the results of a cost-of-living survey in Bern, as well as on the establishment of a cost-of-living differential based on external data from two reputable sources: the living quarters

expenditure survey data of the United States Department of State and the cost-of-living survey data of the Economic Research Institute. A fourth approach, based on Mercer data, was considered but not used, as it was found not to include data for the rental cost of houses.

77. In its presentation, the secretariat explained that Bern was home to only one common system organization with international staff, UPU, and that because of the proximity to Geneva some staff members resided in one location and commuted to the other. A key component of the study was a survey of the basket of goods and services to compare local prices between Geneva and Bern. The results of the survey showed that prices in Bern were similar to those in Geneva, although some variations were observed for specific items. Based on these findings, the secretariat decided to use the prices collected in Geneva (updated to the month of the survey with the appropriate consumer price indices) for most categories, except for education, airfares, hotels and domestic services, for which prices collected in Bern were used for the comparison.

78. The secretariat also conducted a housing-only survey in lieu of the comprehensive staff expenditure survey because the expenditure patterns for the rest of the items were assumed to be the same for Bern and Geneva. In conducting that survey, the secretariat provided maximum survey support for staff in Bern, including training for the local survey committee, briefings for staff at large in townhall meetings, demonstrations of the survey questionnaire and responses to questions or the provision of clarifications as needed.

79. Regarding the remaining components of the post adjustment index, it was found that the expenditures for pension contribution and medical insurance for Bern differed from those in Geneva. To calculate the corresponding weights and indices for these components, the survey coordinator submitted pensionable remuneration scales and premiums for the various medical plans available to UPU staff in Bern. As for the out-of-area component for Bern, the secretariat clarified that it was treated in the same way as for Geneva, that is, a weight of 10 per cent, corresponding to the lowest in the system of out-of-area bands, was assigned to it, as was the case for all headquarters duty stations, based on the results of the 2021 baseline cost-of-living surveys.

80. The secretariat presented the results of the three alternative studies, indicating that the cost-of-living survey approach of the Commission produced the results closest to the status quo. To establish a relativity between Bern and Geneva, a cost-of-living differential factor was developed by comparing the housing costs for the two cities from the above sources that were used. This factor was then applied to the post adjustment index for Geneva in order to calculate the index for Bern. The overall index for Bern was 180.35 using the cost-of-living survey approach, 175.19 with the United States Department of State data and 182.24 with the Economic Research Institute data. Comparing these results to the updated post adjustment index for Geneva for March 2023, which stood at 181.38 during the survey month for Bern, the differences amounted to -0.57 per cent, -3.41 per cent and 0.47 per cent, respectively.

Discussion in the Commission

81. The representative of the Human Resources Network concurred with the recommendations of the Advisory Committee, indicating that there were no grounds for a change in the current arrangements. The Network underscored the higher administrative burden of establishing Bern as a separate duty station relative to any savings that could be gained.

82. The representative of FICSA expressed appreciation to the secretariat for its engagement with the local staff association in Bern for the conduct of the survey. She explained that staff were initially sceptical about the objective of the survey, as they

had not been involved in previous surveys conducted in Geneva in which they were eligible to participate. The representative expressed support for maintaining the status quo, as recommended by the Advisory Committee.

83. The representative of CCISUA pointed out that the result of the secretariat's study, showing that the post adjustment index for Bern was substantially similar to that of Geneva, was to be expected, given the homogeneity and small size of the Swiss market. He indicated that this explained the decision by the Swiss authorities to stop compiling a separate consumer price index for Bern. He also noted that it was common for both international and government staff to commute to Bern from cities such as Geneva. The representative of UNISERV concurred with the recommendations of the Advisory Committee.

84. Some Commission members queried whether the recommendation not to have a separate post adjustment for Bern would have been the same if the result of the survey had shown that Bern was slightly more expensive than Geneva. Therefore, it would be interesting for future discussions to have pre-established thresholds to decide when to trigger, or not, the establishment of separate post adjustment indices for different locations in the same country. The secretariat explained that the recommendation of the Advisory Committee depended on the magnitude of the difference in the post adjustment indices of the two locations, not on the direction of the difference. Even if the Advisory Committee had recommended a change in the status quo, it would have been possible to establish a post adjustment index for Bern through a cost-of-living differential factor, without necessarily establishing Bern as a separate and independent duty station for the purposes of post adjustment.

85. The Vice-Chair of the Commission, in his capacity as Chair of the Advisory Committee, highlighted that the Committee greatly valued the insights provided by one of its members who, in her role as Chief of the Price Statistics section in the Federal Statistical Office of Switzerland, explained, during the discussions on the issue by the Advisory Committee, that prices remained consistent throughout Switzerland. A member of the Commission indicated that the discontinuation of the publication of the consumer price index for the Canton of Bern, compounded with the small size of the duty station, was a significant indicator that supported the conclusions and recommendations of the Advisory Committee. The Commission agreed that there were no grounds for a change in the status quo and decided to approve the recommendations of the Advisory Committee.

Decisions of the Commission

86. The Commission decided to:

(a) Take note of the study presented in the report and the discussions and recommendations of the Advisory Committee on Post Adjustment Questions;

(b) Inform the General Assembly of its approval of the recommendations of the Advisory Committee that:

(i) While it was technically feasible to establish a separate post adjustment for Bern, the costs of doing so outweighed the benefits;

(ii) The current arrangements (status quo) regarding the post adjustment for Bern should be maintained.

G. Comprehensive review of the compensation package

87. The Commission commenced preparations for a comprehensive review of the compensation package at its ninety-fifth session, held in March 2023, in response to

General Assembly resolutions 76/240 of 24 December 2021 and 77/256 A and B of 30 December 2022. In resolution 76/240, the Commission was invited to undertake a comprehensive assessment and review of the compensation package for the United Nations common system on a five-year cycle, taking into due consideration the previously agreed objectives of the exercise, as well as the context both in Member States and in the United Nations common system. The Commission was also requested, in resolution 77/256 B, to provide for the Assembly's consideration at its seventy-eighth session a detailed outline of its approach for the next comprehensive review, including its structure, parameters and timelines.

88. At the time of launching the review, the Commission conducted an initial exchange of views on the subject, bearing in mind additional conditions: (a) the concerns of the General Assembly should be taken fully into account and it should be kept abreast of the entire process; and (b) the review was to include a detailed analysis on the cost-effectiveness, attractiveness and impact on the workforce. A preliminary outline of the entire exercise was endorsed at that time, including the plan to begin by soliciting feedback from stakeholders at the outset before a detailed outline of the review was finalized.

89. After the ninety-fifth session of the Commission, consultations were undertaken with the executive heads of common system organizations to receive their views. Concurrently, human resources directors of the organizations and the staff federations were contacted by the ICSC secretariat in the form of an opinion survey on the current compensation package and evaluation of its elements. A total of 22 common system organizations and two staff federations responded to the opinion survey and shared their views regarding the existing compensation package in general as well as individual elements. The feedback received provided useful information on the challenges faced by the organizations and staff, and shed light on new aspects related to the compensation package that had emerged since the conclusion of the previous review.

90. Both the executive heads and the human resources directors of the organizations and the staff federations surveyed indicated that, in their view, the compensation package remained fit for purpose and the previous review conducted between 2013 and 2015 had already addressed the issue of overlapping among individual elements of the package. Accordingly, in their view, the focus of the review should be on streamlining, simplification through lump summing and fine-tuning of the current package. However, many respondents also indicated that, while cognizant of the current financial situation of Member States, they could not support a reduction in the compensation package.

91. At its ninety-sixth session, the Commission had before it a document containing a summary of the feedback received from stakeholders, with proposals for the Commission's approach to the present comprehensive review, including its scope, parameters and timeline.

Discussion in the Commission

92. According to the representative of the Human Resources Network, a careful balance had to be kept between maintaining and enhancing both the employer attractiveness and financial sustainability of the organizations in the present financial environment, and it was hoped that the comprehensive compensation review would provide an opportunity to reflect on the expectations of the next generations for an employer of choice, while also being mindful of the diversity of programmatic and operational needs as well as the financial environment of the common system organizations. Given the current volatile and increasingly inflationary environment, the Network also stressed the particular importance of the stability, transparency and

predictability of pay levels for staff. In addition, emphasizing that the underlying philosophy of the compensation package should be grounded in the principles emanating from the provisions of Article 101 of the Charter of the United Nations, the Network recalled the criteria established by the Commission for the comprehensive compensation review in 2015. In the view of the organizations, these criteria were comprehensive and remained valid and relevant for the forthcoming review, which was expected to be conducted in an independent, cooperative, objective and transparent manner. Furthermore, the representative of the Network recalled that, after extensive examinations, in-depth studies and discussions, the previous comprehensive review in the period 2013–2015 had already removed the existing overlaps between entitlements. The Network therefore found it difficult to conceptualize the existence of any suggested “duplications” less than seven years after the new compensation package had been fully implemented. In the absence of any structural change to elements of the compensation package since then, a new risk of duplication would be unlikely. The Network therefore stressed the importance of purely technical and fact-based discussions on the rationale for each entitlement as established by ICSC and approved by the General Assembly in the past. In the organizations’ view, a key focus of the review from a financial angle should be how well elements of the compensation package supported the programme implementation of organizations, and where efficiencies could be found in the simplification of administration.

93. The representative of FICSA stated that, owing to the very recent review of the compensation package conducted by the Commission, the United Nations employment framework and related compensation package, while perhaps not perfect, remained generally fit for purpose and continued to provide the common system organizations with the competitive advantage necessary to attract and retain staff with the highest standards of efficiency, competence and integrity in order to serve Member States. As a result, the Federation believed that, while adjustments to modern practices and specific market conditions were always necessary, they should not go beyond fine-tuning. Given that trust, fairness, reliability, stability, transparency and predictability were the cornerstones of the employment framework and guaranteed that competitive advantage, frequent changes to the package would defeat those purposes. FICSA stressed the need to ensure that the perception of staff at all duty stations was considered, and noted that the Commission would use direct feedback from the Federation’s members as it engaged in the review. The representative of FICSA noted that in the feedback to date its members’ concerns had often been related to implementation by individual organizations as well as a lack of consistency across the system, and reiterated the Federation’s suggestion that cost savings and other efficiencies could come from looking into those areas. The representative also suggested that ICSC should engage in a communication and education campaign on the review of the compensation package for all stakeholders in order to allay fears and misconceptions. FICSA noted other areas requiring attention, including difficulty in attracting and retaining staff in certain job groups, as well as staff with young children, at duty stations with high childcare costs, which had a specific impact on attracting and retaining female staff.

94. The representative of CCISUA recalled that the compensation package resulting from the previous comprehensive review had only been implemented recently and had been lauded as fit for purpose by Member States. At the same time, most staff, from the outset of that review, had seen it as an attempt to reduce the benefits of the existing package, which was the fruit of years of advocacy and tripartite consensus-building between organizations, staff and the Commission. The erosion of benefits had indeed occurred in several areas and was particularly felt in deep field locations, where many organizations were no longer able to attract qualified staff. In this context, CCISUA appreciated that the forthcoming review began by seeking the views

of stakeholders and would be complemented by a global staff survey. It hoped that the views of staff would be properly accommodated and that the negative impact created by the previous review would be corrected, especially in the field, including at difficult family duty stations, as well as in other areas. In his view, the revised compensation package should allow for adapting to changes in labour markets, recognize the post-COVID impact on international service and be more conscious of dual careers, spouses and family needs. The revised package should also reinstate incentives to promote multilingualism and ensure that staff in similar circumstances at a duty station received the same benefits. CCISUA also considered it important that, until revised, the benefit review cycles as established under the previous review should be respected. Finally, CCISUA considered that the review process should remain focused on the above objectives and not be overshadowed by "1 per cent" matters, including remote working arrangements, or measures such as performance-related incentives that had not shown their effectiveness.

95. In alignment with the feedback from executive heads, the representative of UNISERV agreed on the importance of having a simpler system that would be more equitably applied across grade levels and staff categories. The federation also noted that the development of concrete proposals or fine-tuning initiatives as a result of the comprehensive review might best be carried out after the finalization of the revised human resources framework, since it would be difficult to strategically guide a principled compensation review in the absence of an updated framework. In addition, while suggesting that administrative efficiency might be one of the goals for the periodic reviews, the federation believed that such efficiency or cost-effectiveness should not come from reductions in the overall compensation package. In addition, UNISERV recommended that digital transformation specialists be included in the comprehensive review as the digital transformation and application of modern technologies could bring efficiencies through business process optimization and automation. The federation also pointed out that staff were living in the current financial realities every day while they were fully aware of the financial situation of Member States. Therefore, it called for an approach to the comprehensive review that prioritized fairness and egalitarian approaches to the elements of the compensation package, which should adopt a people-centric approach and be conducted on the basis of accurate data from the organizations.

96. The Commission recalled that the General Assembly, in its resolution 76/240, had requested ICSC to conduct the comprehensive review, taking into account the previously agreed objectives of the exercise, as well as the context both in Member States and in the United Nations common system. These objectives, listed in section VI.A of the annual report of the Commission for 2015 (A/70/30), were as follows:

(a) 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;

(b) 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;

(c) 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.

97. The Commission also recalled that, in the same section of its report for 2015, a set of criteria had been listed for the design of a revised compensation system, which it considered would remain valid for the present review. These criteria were:

(a) The revised system should support the delivery of the organizations' mandates and should be competitive, fair, equitable, transparent, simple in design, easy to administer, easily understood by staff and other stakeholders and designed to reward excellence and manage underperformance;

(b) The revised system should be cohesive at its core, while allowing for some flexibility to meet the specific needs and challenges facing the organizations, particularly with regard to diversity, specialized occupations or skills for which it was difficult to recruit;

(c) Implementation of the revised system would be premised on overall cost containment and sustainability.

98. Reacting to the stakeholders' position that they would not support any reduction in the compensation package, the Commission stressed that the outcome of the review should not be prejudged and that elements of the compensation package should be analysed on their merits and maintained or adjusted on the basis of the conclusions reached.

99. Regarding the scope of the review, the Commission agreed that it should focus on the Professional and higher categories, given that the salary survey methodologies for the General Service and other locally recruited staff had just been revised. However, items spanning the categories could also be examined. In addition, participants considered it more appropriate to continue to channel the methodological issues of the post adjustment system through the Advisory Committee on Post Adjustment Questions.

100. With respect to the issues to be addressed, several Commission members pointed out that, given that the previous comprehensive review had been extensive, was undertaken relatively recently and its impact was still being assessed, it would not be advisable to examine all aspects of the compensation package at the same level of detail. In particular, fundamental revisions had taken place with regard to the salary scale structure, resulting in the current streamlined unified salary scale. Therefore, the Commission agreed that the current review should focus more on other areas, such as allowances and benefits, as well as on new developments that had taken place since the previous review, in which further linkages could be explored. Several such areas had been identified by the Commission and its stakeholders, which included a cluster of dependency-related elements and the education grant as well as the package of allowances and benefits relating to service in the field. Regarding the new developments that had come to the fore after the previous compensation review, the Commission noted the recent trend of the expanded use of remote working arrangements by organizations. It was generally agreed that these arrangements should be analysed in the course of the review, in terms of both compensatory implications and a possible non-financial incentive. Members also considered that other non-financial incentives should be reviewed in a broader context of performance management. In addition, it was agreed that measures to promote multilingualism, including the possibility of reinstating the language incentive for Professional staff as well as measures of a non-financial nature, should be considered. Lastly, members recalled the additional request by the General Assembly in its resolution 76/240 that a detailed analysis of the cost-effectiveness and attractiveness of the package as well

as its impact on the workforce should be conducted. It was understood that the above list could be adjusted in the course of the review on the basis of feedback received from the Assembly as well as the global staff survey scheduled to be launched in the latter part of 2023.

101. Turning to the structure and timelines of the review, the Commission decided to establish three working groups to ensure the completion of the review within the time frame established by the General Assembly. The first working group would meet before the spring session of the Commission in 2024, to conduct a general overview of the structure of the current compensation package, analyse the rationales of various elements and existing practices and identify links among them. It would also explore ways to enhance the flexibility of the compensation package in order to accommodate the diverse mandates and operational requirements of the organizations. The group's agenda would include items relating to remote working arrangements, non-financial incentives in the context of performance management and multilingualism. It was also proposed that the working group would be tasked with finalizing the human resources management framework, but the Commission decided to revert to this matter at a later date.

102. The second and the third working groups would study the separate clusters of elements already identified for review: family/dependency-related elements, including the education grant; and the field package. The Commission envisaged that these working groups would meet after its ninety-seventh session.

103. At the ninety-eighth session of the Commission, the results of the 2023 global staff survey would be reviewed. The Commission agreed that, depending on the outcome of the survey, the agenda of the working groups could be adjusted accordingly.

104. After that session, the first working group would meet again to review the attractiveness and cost-effectiveness of the package and its impact on the workforce. A suggestion was made in this regard to assess the package also in terms of affordability. The group would also consider the results of the 2023 global staff survey and review recruitment and retention-related issues. Given that collecting systemic granular data from the organizations was crucial for such analysis, it was agreed that the timing of the meeting would have to be coordinated with the data collection exercise. It was therefore foreseen that the working group meeting would likely be held in the third quarter of 2024.

105. Each of the working groups would review its respective items in terms of the agreed attributes of the package and would report on its progress to the Commission, which would provide further guidance. Several Commission members suggested that the findings on various review elements should not necessarily lead to a single proposal, but possibly to a series of options for the Commission and the General Assembly that would reflect distinct equilibriums between the various parameters proposed for the review. Other members considered, however, that, while receiving options might be helpful to the Commission, it was the Commission's responsibility to select the most viable one, rather than leaving that choice to the Assembly. It was therefore proposed that each working group would present options for any revision to the Commission, which would then decide collectively on its recommendations to the Assembly. The Commission agreed that the progress of the review should be monitored closely and reported annually to the Assembly, with every step of the process clearly communicated to all stakeholders.

106. Finally, the Commission, while recognizing the need to review the common system compensation package periodically, considered that a five-year cycle for comprehensive reviews would not provide sufficient time between reviews for appropriate research and data collection, for full analysis to be undertaken and for

detailed consultation to be held, as well for assessing the impact of the implemented changes. Too frequent reviews could also negatively affect the stability and predictability of the compensation package, result in additional costs and require additional staff time, including to update the enterprise resource planning systems to accommodate changes resulting from the review. The Commission agreed that conducting comprehensive reviews on a 10-year cycle would be more appropriate. It was also stressed that the ICSC secretariat should be provided with all the financial and human resources necessary to fulfil the tasks required to conduct the comprehensive review. It was vital that the budget of the Commission for the coming years had adequate additional resources for the compensation review.

Decision of the Commission

107. The Commission decided:

(a) To propose to the General Assembly that a comprehensive review of the compensation package be conducted every 10 years;

(b) To present to the General Assembly the following outline of its current comprehensive review:

(i) **Scope**: focus on the package applicable to the Professional and higher categories, with statistical issues relating to the post adjustment system continuing to be reviewed by the Advisory Committee on Post Adjustment Questions;

(ii) **Parameters**: consider the objectives and criteria as set out in paragraphs 84 and 85 of the annual report of the Commission for 2015 (A/70/30), subject to revision by the Commission, and provide a detailed analysis of the cost-effectiveness and attractiveness of the package as well as its impact on the workforce, as requested by the General Assembly in its resolution 76/240;

(iii) **Timeline and structure**: as shown in table 1.

Table 1
Timeline and structure of the current comprehensive review of the compensation package

International Civil Service Commission sessions, and activities between sessions	*Submission to the General Assembly*
Ninety-sixth session: • Review of stakeholders' feedback • Determination of scope, parameters and timeline of the review • Establishment of working groups Between the ninety-sixth and ninety-seventh sessions: • Meeting of the first working group: overall structural review of the package (cohesion, flexibility, performance management, including non-financial incentives, remote work arrangements and multilingualism) • Research on best practices among other entities	Seventy-eighth session, 2023: • Compensation costs (CEB) • Detailed outline of the review

International Civil Service Commission sessions, and activities between sessions	Submission to the General Assembly
Ninety-seventh session: • Review of progress based on reports of the first working group • Reflection of feedback from the General Assembly • Guidance for the second and third working groups, and for the first working group, if needed	
Between the ninety-seventh and ninety-eighth sessions: • Meeting of the second working group: elements related to dependent family members • Meeting of the third working group: field package	Seventy-ninth and eightieth sessions, 2024–2025 • Compensation costs (CEB) • Progress reports
Ninety-eighth to 100th sessions: • Review of the results of the global staff survey • Meeting of the first working group: cost-effectiveness, simplification and attractiveness • Review of progress based on reports of the second and third working groups • Reflection on feedback from the General Assembly • Provision of guidance for further study by the working groups	
Between the ninety-eighth and 100th sessions: • Continued analysis by the working groups • Development of possible revisions to the package	
101st session: • Consideration of proposed revisions to the compensation package	Eighty-first session, 2026 • Compensation costs (CEB) • Final recommendations
Between the 101st and 102nd sessions: • Focus groups to collect views on proposed revisions • Assessment of anticipated impact • Calculation of financial implications	
102nd session: • Finalization of the review and roll-out plan	

H. Children’s and secondary dependants’ allowances: response to General Assembly resolution 77/256 B

108. Since its inception in 1946, the child allowance has been defined and maintained as a universal social benefit. The philosophy of the allowance has always been to make up for the loss of a national child benefit that would normally be due to staff

members from their home country. Acting as a State rather than an employer, the United Nations established the allowance as a symbolic replacement of this loss.

109. The General Assembly, in its resolution 77/256 B, requested the Commission to further refine the structure of the children's and secondary dependants' allowances and to review the feasibility of applying a means-tested methodology, and to report to it thereon at its seventy-eighth session. It also approved, as a compensation measure, the allowance for children with disabilities in the amount of $6,645 per annum until the children's and secondary dependants' allowances were further adjusted.

110. The Commission reviewed the feasibility of the following three approaches, which were based on the analysis of practices used by various Member States that use means testing to establish the child allowance:

(a) Capping the allowance at a designated income level;

(b) Applying a declining scale above a designated income level;

(c) A variable allowance that decreases as income increases across all grades.

111. The first approach entailed establishing an income ceiling to determine which staff were eligible to receive an allowance. Staff members at grade levels above the income threshold would not be eligible to receive the allowance, while staff members at or below the threshold would receive the same level of the allowance. The second approach differed in that the staff members above the income ceiling would receive an allowance but at a reduced rate whereby the allowance would decrease by the same percentage at each higher grade. Lastly, the third approach established an allowance at the reference income at P-4, step VI, then increased the allowance at the lower grades by a specific percentage and decreased the allowance at the higher grades by the same percentage.

112. The Commission was also informed of the unintended consequences of the decision by the General Assembly to increase the allowance for children with disabilities while retaining the same level of the child allowance. Upon removal of the relationship of two times the child allowance, some organizations no longer had a common practice in the interpretation of how to apply the allowance when a single staff member was also eligible to receive the allowance for children with disabilities. In this case a staff member would have received the single-parent allowance and an additional amount. This additional amount could have been interpreted as another child allowance, half the allowance for a child with a disability or the difference between the two allowances, all of which were equivalent to $2,929 prior to the adoption of the resolution. Most organizations, being bound by their staff rules and regulations, could not change their policy and provided $2,929, the amount equivalent to the child allowance in effect, in addition to the single parent allowance. Several other organizations provided $3,716, the difference between the child allowance in effect and the new allowance for a child with a disability; and one organization provided $3,323, which was half of the new allowance for a child with a disability.

Discussion in the Commission

113. The representative of the Human Resources Network remarked that it would be desirable if the long-standing discussions on an adjustment to the levels of the children's and secondary dependants' allowances could be brought to a conclusion after more than 10 years of a freeze. While the Network appreciated the efforts to assess a theoretical means-tested approach to the methodology of the child allowance, it acknowledged the challenges associated with such an approach, such as a significant increase in the operational and administrative complexity of the allowance, while not providing a useful tool to ensure that the allowance was paid

only to staff in need, nor fostering transparency or simplicity. Furthermore, the Network affirmed that the underlying principle behind the children's and related allowances did not lose its relevance as United Nations international staff members, owing to the expatriate nature of their international civil service, were largely excluded from their national social security systems, and the present-day allowances were to be regarded as the relevant substitute for that. The representative added that the allowance was of a general social rather than specifically economic purpose that had been paid to all eligible staff members as a flat rate allowance and should be regarded as part and parcel of the system of compensation. The Network concluded that switching to a means-tested approach would fundamentally alter the original philosophy, which had been confirmed by all previous compensation reviews.

114. The representative of FICSA recalled that, despite numerous efforts by all stakeholders to find a compromise, earlier proposals over the past 12 years had been repeatedly rejected by the General Assembly without a clear understanding of the reasons. The representative concurred with the Human Resources Network assessment of the purpose of the allowance and added that the child allowance was one of the very few social security benefits on which staff relied when they accepted an international position with the United Nations, away from the support of their families and their national social security schemes. Regarding the use of a means-tested approach, the representative of FICSA expressed doubt that using the level of income as an indicator fulfilled the common understanding of means testing, which implied an assessment of the entire household income and wealth, including savings, capital and assets, and that the concept of means assessment was based on the understanding that income did not equal need. As such, FICSA questioned how the common-system organizations could effectively and fairly assess the needs of staff members. It also questioned whether means testing adhered to the agreed objectives of the ongoing compensation review to be more equitable, fair, transparent, simple in design, easy to administer and better understood by staff and stakeholders. FICSA therefore did not endorse any of the means-tested approaches presented.

115. The representative of CCISUA concurred with the views of the Human Resources Network and FICSA and emphasized that decreasing the amount of the allowance could mean a considerable loss of income for families with several children and might represent a non-incentive for staff to apply for higher grades. As all the options presented would result in a loss or decrease of the allowance for some staff, and as the allowance had been frozen for over 10 years, CCISUA raised concerns. The federation also added that the means-testing proposals would put a burden on the organizations' enterprise resource planning systems and pointed out that this was contradictory to the efforts to simplify processes.

116. The representative of UNISERV emphasized that national child-related benefit schemes were usually embedded in wider welfare systems and could not easily be referenced for comparison with the organizations. It explained that this was because national schemes were developed and assessed in conjunction with other services provided by Governments, such as free schooling, free or subsidized care for older persons and subsidized or free medical care for children, and added that these schemes were often unavailable to staff of the organizations. UNISERV agreed with the arguments given by the other staff federations as to why means testing would not be appropriate and remarked that a such an approach for the child allowance would create inequality between households. It concluded that a means-tested approach was inconsistent with the desirable features of the allowance and strongly called for a fair, transparent, universal allowance that guaranteed fairness and equitability.

117. All three staff federations noted with concern the varied interpretations by the organizations of the actual amount to be paid under certain circumstances of the allowance for a child with a disability and therefore stated support for the

maintenance of the current methodology and the reinstatement of the relationship between the child allowance and the allowance for a child with a disability.

118. The Commission expressed its concern that the level of the child allowance, which it recognized as an important element of the compensation package, had not been revised in over 10 years, despite several attempts by the Commission to do so. It recalled that, at its ninety-fourth session, it had approved a new methodology that addressed long-standing issues such as the undue influence of a national child-related benefits policy of a larger duty station on the overall level of the allowance. The new methodology was based on setting the allowance as a percentage of net base salary, which would be revised only during a periodic review. In establishing that percentage, the Commission used as a benchmark the level of the allowance when it was last approved by the General Assembly. The Commission agreed at that time that 4 per cent of net base salary was an appropriate level.

119. The Commission recalled that the child allowance was one of the first allowances established in the United Nations. Some members believed, however, that despite its long history, the underlying philosophy of the allowance needed to be re-evaluated periodically, taking into consideration modern aspects of the compensation package. In this regard, most members agreed that the original intent of the child allowance as a universal social benefit remained relevant. The Commission also noted that child benefits were increasingly being recognized as important in the context of gender equality and overall equity as well as benefiting the health and well-being of the child.

120. The Commission carefully considered the feasibility of the three approaches that were presented. Most of its members considered that the first approach was the simplest in design, making it fairly transparent and easier to understand for stakeholders. However, setting the threshold income level presented a problem. If set at the P-5 level or higher, the number of affected cases would be too low to justify the need to change the structure. Conversely, setting the threshold lower could create a significant fairness problem among staff. The other two approaches, with varying levels of the allowance at each grade, were viewed as adding complexity to the policy, making it less transparent and harder to explain and, from a technical perspective, raising issues of equity and requiring more complicated changes to the enterprise resource planning systems of the organizations. While some members viewed the third approach to be fairest of those reviewed, others considered it the most complex, with a unique level of the allowance for each grade. Given that the base salary scale contained overlaps between the grades, the Commission recognized this as an additional complexity, applicable to all three approaches, that could create inequity. If the eligibility of the allowance was determined by grade, there would be staff at a lower grade that received the allowance despite having a higher income compared with staff at the initial steps of the higher grade; and if eligibility was determined by a specific grade and step, then staff would lose the allowance as they progressed through the grade. While some members did not agree with the above assessment of the approaches and suggested that the Commission should propose one of the means-testing approaches to the General Assembly, most members were not supportive of this suggestion given the issues identified with each of the approaches.

121. Turning to the philosophy of means testing, the Commission observed that it would be difficult to choose among different national means-tested approaches on which to model the United Nations child allowance, given that national schemes were typically based on promoting a specific policy such as population or poverty that was not relevant within the context of the common system. It also recognized that there was an increased level of complexity embedded in any approach to means testing. Typically, a means test for a national child benefit is targeted at household income and not the income of an individual. The Commission recognized that using solely

the income level of a staff member to determine eligibility could lead to inequity among staff, whereby one staff member at a higher grade could have a lower household income than a staff member at a lower grade. Any attempt to verify household income would create an overwhelming administrative burden for the organizations. Therefore, most members agreed that the universal approach remained most relevant and appropriate to the United Nations, as it was based on equity, transparency, administrative efficiency and simplicity. The Commission thus concluded that the current methodology should be maintained. Moreover, it was reiterated that this methodology, approved by the Commission in 2022, addressed the long-standing concern about the bias caused by larger duty stations, used a more stable and predictable method of calculation, had a clear rationale and was overall more defensible.

122. The above notwithstanding, several Commission members considered that, despite its inherent conceptual and operational challenges, and recognizing that the original philosophy of having a universal child benefit would be fundamentally altered, the means-tested approach should be revisited at a later date in the broader context of the comprehensive compensation review, in particular under the general cluster of dependency-related benefits.

123. Recognizing that the allowance had not been updated in over 10 years, the Commission appreciated the General Assembly’s decision to increase the level of the allowance for a child with a disability, which was calculated on the basis of the new methodology for this allowance. However, the increase of only one of the three dependency allowances resulted in a situation under certain circumstances in which common system organizations varied in their approach and applied different levels of the allowance.

124. The Commission agreed to reiterate its recommendation for the revised levels of the children’s and the secondary dependants’ allowances based on the same methodology. The Commission was informed that the cost implications were estimated at $16.2 million per annum system-wide.

Decisions of the Commission

125. Having reviewed the feasibility of using a means-testing approach to determining the child allowance, the Commission concluded that the present methodology for establishing the allowance, as approved by it in 2022, should be maintained. It therefore decided to reiterate its recommendations to the General Assembly, namely that, as from 1 January 2024:

(a) The percentage relationship between the child allowance, the allowance for a child with disabilities and the secondary dependants’ allowances be restored, namely that the allowance for a child with a disability be set at 200 per cent of the child allowance and the secondary dependants’ allowance at 35 per cent of the child allowance;

(b) The child allowance be set at $3,322 per annum; the allowance for a child with a disability be set at $6,644 per annum; and the secondary dependants’ allowance be set at $1,163 per annum;

(c) At hard-currency duty stations, the United States dollar amount of the allowances, as established in subparagraph (b) above, be converted to the local currency using the official United Nations exchange rate as at the date of promulgation and remain unchanged until the next review;

(d) The dependency allowances be reduced by the amount of any direct payments received by staff from a Government in respect of dependants;

(e) Any transitional measures remaining in effect as a result of the revised methodology of 1 January 2009 would be discontinued in accordance with the Commission's earlier decision to discontinue such transitional measures upon the completion of two review cycles (A/63/30, para. 129 (d)).

126. The Commission further decided to revisit the structure of children's and secondary dependants' allowances, including the means-testing approach, in the broader context of the comprehensive review of the compensation package under the consideration of the general cluster of dependency-related benefits.

Chapter IV
Conditions of service of the General Service and other locally recruited categories

A. Study on the feasibility and impact of establishing a separate General Service salary scale for Bern

127. In its resolution 76/240, the General Assembly requested the Commission to conduct a study on the feasibility and impact of establishing a separate salary scale for the General Service category in Bern. In response to this request, the Commission analysed the level of salaries in jobs in Bern that were comparable with those in the General Service category at the primary duty station in Switzerland, Geneva. The impact of implementing a separate salary scale for Bern was also considered.

128. To evaluate the differences in the local labour markets in Geneva and Bern, salary data from three different sources were reviewed: employers who have offices in Geneva and in Bern, external salary data from the approved vendors and wage data from the Federal Statistical Office in Switzerland. These data showed that, on average, salaries in Geneva for jobs equivalent to those in the General Service category were 1.4 per cent higher than in Bern. The difference in the level of salaries collected from employers amounted to 0.15 per cent, while the external data received from vendors showed an average difference of 2.45 per cent. In the case of wage data from the Federal Statistical Office, the difference was 1.7 per cent.

Discussion in the Commission

129. The representative of the Human Resources Network took note of the results of the study and was of the view that the establishment of a separate salary scale for General Service staff in Bern, while technically possible, was not advisable, considering the minimal difference in the level of salaries and the additional administrative and operational cost related to updating and administering a separate salary scale. The representatives of the staff federations, concurring with the representative of the Network, also agreed that the minimal difference in the level of salaries in Geneva and Bern and the low number of staff in Bern would not justify establishing a separate salary scale for that duty station.

130. The Commission recalled that the established practice was to maintain a single salary scale for staff in the General Service category in each country. In exceptional cases, however, when significant measurable differences in the labour markets at the primary and a second duty station existed and when the number of staff at the second duty station was significant, the United Nations Secretariat, in its capacity as the responsible agency for salary survey purposes, might decide to establish an additional salary scale. If the responsible agency did decide to establish a separate salary scale for Bern, it would be implemented as a notional scale. Staff currently on board and new staff members would be paid using the existing (Geneva) salary scale, which would be frozen for Bern until the gap between the existing and the notional scales was closed by interim adjustments. The Commission noted that the total number of General Service staff of the two common system organizations represented in Bern (UPU and UNHCR) amounted to 92, as opposed to 3,761 staff in Geneva.

131. The Commission was of the view that, taking into consideration the minimal difference in the level of salaries at Geneva and Bern, the low number of staff in Bern and the marginal cost savings that would be largely offset by the cost of conducting separate salary scales, periodic interim adjustments and other administrative costs, the result of the study did not provide a compelling case for establishing a separate salary scale for Bern. Therefore, it was in favour of maintaining the status quo.

132. At the same time, as there were several countries where, exceptionally, multiple salary scales for the General Service category had been established, some Commission members were of the view that detailed parameters should be developed in order to standardize the responsible agency's decision on the establishment of multiple salary scales in a given country taking into account the percentage difference in the level of salaries in jobs comparable with the General Service category between the primary and a secondary duty station, as well as the number of staff at the secondary duty station.

Decision of the Commission

133. The Commission decided to recommend to the General Assembly that it maintain a single salary scale for the General Service category in Switzerland.

B. Security Officer category: conditions of service

134. The Commission considered the issue of conditions of service for security officers, including close protection officers, and heard a briefing on the matter by the Under-Secretary-General for Safety and Security. The Under-Secretary-General highlighted the need to reprofile security officers to meet the present security paradigm, as well as the need for alignment of the career paths of security officers in the United Nations with those of uniformed personnel in national law enforcement, namely by lowering the age of retirement and by subjecting contract renewals and promotions to the successful completion of psychological and physical tests. The Commission took note with interest of the information provided regarding this category of staff and expressed that it was looking forward to a more elaborate proposal.[3]

C. National Professional Officers: conditions of service

135. The Commission considered the issue of conditions of service of National Professional Officers, a topic that was presented by CCISUA. The issues presented dealt with nomenclature, salary comparability, benefits, career development and progression to the international Professional category. The Commission took note of the need to examine the issues regarding National Professional Officers, which constituted a very important and sizeable part of the staff population in the common system.[4]

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[3] The inclusion of this paragraph in the present report was agreed to by the Commission in deliberations held virtually following the conclusion of its ninety-sixth session.

[4] The inclusion of this paragraph in the present report was agreed to by the Commission in deliberations held virtually following the conclusion of its ninety-sixth session.

Chapter V
Conditions of service in the field

A. Hardship classification methodology: study of best practices

136. At its ninety-second session, in 2021, the Commission considered a report by its secretariat that contained an assessment of the impact of the revised hardship classification methodology that had been applied since 2017, including a quantitative analysis based on empirical data and a qualitative analysis based on the experiences, perceptions and observations of the representatives of organizations and staff federations that participated in the Working Group for the Review of Conditions of Life and Work in Field Duty Stations. At that session, the Commission decided to request its secretariat to study best practices in the hardship classification of duty stations, as a general reference point.

137. At its ninety-sixth session, the Commission considered a report on the hardship systems of a few Member States, including information on any hardship allowance and hardship classification methodology, comparing them to the hardship classification system of ICSC. The report contained relevant information from five Member States (Finland, Japan, Republic of Korea, United Kingdom of Great Britain and Northern Ireland and United States) and the World Bank Group.

Discussion in the Commission

138. The representative of the Human Resources Network said that the Network appreciated the study of external practices and believed that the findings could be valuable input for the forthcoming comprehensive compensation review. It welcomed the conclusion that the ICSC hardship classification system, while being unique in many aspects, was comparable and on par with the systems of the Member States and international organizations reviewed. Moreover, the ICSC hardship classifications were used as a reference by several Member States and organizations outside the common system for their own reviews of hardship duty stations, attesting to the fact that the common system hardship classification by itself represented a solid best practice.

139. The Network welcomed consideration of air pollution as a specific or stand-alone factor in determining the hardship ratings, as the current methodology did not adequately capture the consequences of air pollution on the hardship of staff. It also noted that in two of the five Member States used for comparison (Finland and the United Kingdom), air pollution was considered on its own as a separate hardship factor in addition to health and climate. While noting that the Network would wait for the comprehensive compensation review to provide other substantive inputs on the matter, it also flagged that one of the matters to be discussed during the review was the issue of the systematic categorization as “H duty station” of any location that belonged to a country of the European Union, without consideration of any hardship factor.

140. All three staff federations appreciated the extensive information concerning the hardship classification systems used by the reviewed Member States and the World Bank Group.

141. The representative of FICSA noted that there was no perfect methodology to assess the hardship level of a duty station, but that it was reassuring to observe that the methodology used by ICSC was comparable with those of Member States. FICSA supported the Human Resources Network suggestion on air pollution, which needed to be taken into account under the hardship factors. While noting that there was no merit at this point in changing the ICSC methodology for assessing the hardship level

of field duty stations, the Federation, however, considered that there would be merit in taking this opportunity to modernize the hardship questionnaire. As that questionnaire was currently in Word and paper format, FICSA suggested that investment by the ICSC would be well spent to devise an online questionnaire as well as a virtual repository of the valuable information collected from the questionnaires.

142. FICSA also suggested that the ICSC secretariat should organize regular information sessions with resident coordinators, ideally in three languages, to ensure that they would not only understand their role in this regard, but also be equipped with the knowledge necessary to play that role effectively. The Federation urged the Development Coordination Office to ensure that resident coordinators were equipped to lead on ICSC-related requests at the country level, and that all resident coordinators included all common system agencies present at their duty stations.

143. FICSA reiterated its concerns expressed during meetings of the Working Group for the Review of Conditions of Life and Work in Field Duty Stations about the lack of thorough and reliable information provided by the representatives of the Department of Safety and Security and United Nations Medical Service focal points when providing their feedback and review to the Working Group. In reality, there was normally only one staff member in each department (Department of Safety and Security and United Nations Medical Service) who was tasked with reviewing the lengthy list of duty stations, and therefore FICSA considered that it was not realistic or sustainable. It encouraged WHO to ensure that the WHO focal points took the lead locally in responding to the section of the hardship questionnaire related to the health care and facilities available to United Nations staff at the duty station.

144. The representative of CCISUA stated that the comparison of practices showed the United Nations to be in line with best practice on a number of categories, criteria, oversight and flexibility. The federation noted that the amounts granted by the United Nations might be somewhat lower than the comparator's and suggested that this be considered during the forthcoming compensation review.

145. While noting that the Commission's hardship classification system was comparable and on par with the systems of the Member States reviewed, the representative of UNISERV pointed out that one element – the duration that staff worked in hardship posts – was not included in the analysis. The federation also noted that, in the United Nations common system, there was no clear relationship between a home and a host location to determine hardship levels. This was partly because staff did not return to home locations after overseas service and partly because staff members of the common system might not necessarily be able to participate in any rotational scheme back to a home location, a differently categorized hardship location or a headquarters. In the case of Member States, staff could more frequently and systematically be rotated in and out of hardship locations. UNISERV emphasized that without such systematic rotation for staff members the hardship scheme philosophy would need to include the factor of organizational length of service/tenure at hardship duty stations, not just individually per staff member, but as a factor of the organizations' inadequate mobility policies. It also noted with concern that hardship was greater when endured for excessive and undefined periods of time, in particular when there was no home base to which to return for staff serving in hardship duty stations.

146. UNISERV believed that the information presented in the study of best practices in conjunction with the practical experiences of the reviews undertaken by the Working Group for the Review of Conditions of Life and Work in Field Duty Stations would provide substantial guidance in the context of the comprehensive compensation review. UNISERV confirmed that it stood ready to provide inputs and suggestions on this topic in the context of the forthcoming review of the compensation package.

147. The Commission took note of the information provided in the study of best practices, and members expressed interest in conducting similar studies involving an expanded number of Member States in the near future.

148. The Commission agreed that the ICSC hardship classification system was comparable with the systems of the Member States reviewed. It also noted that the results of the ICSC hardship reviews were used as a reference by several Member States for their own reviews of hardship duty stations and that the World Bank Group's hardship allowance was based entirely on the hardship classification conducted by ICSC. Therefore, the ICSC hardship classification system could be considered a best practice.

149. The Commission noted that its hardship survey questionnaire and the results of its hardship classification reviews were available publicly on its website. While noting that its hardship classification methodology was a sound system, the Commission was of the view that it should be further improved. It considered that the questionnaire could be simplified as it had over 30 pages, and that it could be modernized by being available electronically.

150. The Commission identified several issues under the hardship allowance and the hardship classification methodology that could be included in the forthcoming compensation review. It was suggested that the hardship factors be reviewed to incorporate elements such as environmental pollution, in particular air pollution, as the effects of that had become increasingly important and widespread with the global warming phenomenon, industrialization and uncontrolled urbanization. Some members of the Commission considered that the security factor should encompass all relevant elements. The Commission pointed out that it would be important to examine any overlaps of the various field entitlements. It also agreed to explore the option of a flat rate, with a view to compensating for hardship in a more equitable manner.

151. The Commission considered differentiating the payment matrix of the hardship allowance on the basis of family status, namely with and without eligible dependants, as a possible option. Until 2016, the hardship allowance of the United Nations common system had increased on the basis of the family status of staff (accompanying spouse and/or children). During the comprehensive review of the compensation system from 2013 to 2015, the Commission had decided to apply the rate of hardship allowance equally to all staff members with or without eligible dependants, effective 1 July 2016.

152. The Commission agreed to conduct a thorough review of the hardship allowance and the hardship classification methodology during the forthcoming comprehensive review of the compensation package, and to this end requested its secretariat to conduct further studies on the hardship factors.

Decision by the Commission

153. The Commission decided to:

(a) Take note of the information provided in the present report with respect to the hardship classification systems of the Member States reviewed and the World Bank Group;

(b) Conduct reviews of the hardship allowance and the hardship classification methodology during the forthcoming comprehensive compensation review;

(c) Request its secretariat to conduct further studies on the hardship factors in the context of the forthcoming comprehensive compensation review.

B. Hardship allowance: review of level

154. In accordance with the approved three-year review cycle, the Commission reviewed the level of the hardship allowance at its ninety-third session, in 2022, and decided to grant a 3.1 per cent increase for the hardship allowance, effective 1 January 2023, in accordance with article 11 (b) of its statute (A/77/30, para. 219).

155. The General Assembly, in its resolution 77/256 B, invited the Commission to reconsider its decisions on the level of the hardship allowance and to assess the calculation methodology on the basis of the outcome of the next comprehensive compensation review.

Discussion in the Commission

156. While noting that the hardship allowance was an important component of the compensation system, the representative of the Human Resources Network concurred with the research, findings and recommendations in the document.

157. All three staff federations agreed with the representative of the Human Resources Network and supported the increase of 3.1 per cent as decided by the Commission in 2022, in accordance with article 11 (b) of the ICSC statute.

158. The representative of UNISERV noted that the request by the General Assembly for ICSC to reconsider its decision on the level of the hardship allowance resulted in organizations not implementing the ICSC decision. The federation took note of the comments and the discussion among Commission members related to the competence of ICSC to make decisions and the importance of common system organizations to implement them. In this context, UNISERV requested information on which organizations had implemented the increased hardship entitlement. It recalled the issues relating to the post adjustment in Geneva and noted with concern that the lack of implementation with regard to these ICSC decisions could lead to potential legal challenges by staff members of organizations that had not implemented the ICSC decisions.

159. The representative of UNISERV also noted that the adjustment methodology used for the hardship allowance could benefit from a review as part of the forthcoming comprehensive review and could possibly be revoked or replaced with a new methodology. However, until such time, UNISERV believed that the levels decided by ICSC under the currently approved methodology should be implemented.

160. The Commission recalled that the current adjustment methodology based on the application of three adjustment factors was in accordance with its decisions in 2015 (see A/70/30) in the context of the comprehensive review of the United Nations common system compensation package. It noted that one of the three adjustment factors of its approved methodology, namely the movement of the base/floor salary scale for the Professional and higher categories, was the most stable, while the other two factors, namely, the average movement of net base salary plus post adjustment at the eight headquarters of the United Nations system and the movement of the out-of-area index used for post adjustment based on inflation factors in 26 countries, appeared more volatile, as they were directly exposed to inflation and exchange-rate fluctuations. In addition, the Commission recalled that, on the basis of an analysis of the three adjustment factors in 2022, it had decided on an increase of 3.1 per cent in proportion to the movement of the base/floor salary scale.

161. Noting that the time of the review cycle (2019–2021) covered the COVID-19 pandemic as well as a global economic crisis and ongoing conflicts, the Commission, in reconsidering the matter, agreed that an increase of 3.1 per cent was reasonable,

noting that an increase of 2.0 per cent had been granted during the previous review cycle (2016–2018), prior to the pandemic.

162. Adhering to article 11 (b) of the ICSC statute and decisions taken in accordance with it, one organization, WFP, reported that it had implemented the updated levels of the hardship allowance according to the decision of the Commission in 2022. Other organizations were waiting for the Commission to reconsider its decision, as requested by the General Assembly. In this regard, the Commission underscored the need for a harmonized common system and consistency in the application of salaries, allowances and benefits.

163. Some members of the Commission were concerned about the fact that a decision taken by the Commission under the authority conferred upon it by article 11 of its statute had not been implemented, without a clear legal basis for this delay, and stated that information on this issue should have been included in the report on the implementation of decisions of the Commission. One member of the Commission argued that, as the delayed implementation had no legal basis, the new level should be implemented retroactively to 1 January 2023. Another member of the Commission stated that, if questions of retroactivity were to be analysed, they were to be extended to the official post adjustment multiplier for Geneva. However, there was no consensus on either of these matters.

164. One member of the Commission asked the secretariat if decisions of the Commission could be implemented before the adoption of its report by the General Assembly. The secretariat explained the practice related to recommendations under article 10 and to decisions under article 11.

165. The Commission reconsidered its previous decision of 2022 and reached a consensus to confirm its decision to increase the hardship allowance by 3.1 per cent, but with an effective date of 1 January 2024. The Commission also agreed to review the hardship allowance in the forthcoming review of the compensation package.

166. The Commission recalled that an overall increase of 3.1 per cent as from 1 January 2023 would result in an additional estimated cost of $5 million for 2023. This estimate was based on the increase over the current amounts of the proposed hardship allowance, using staff data for 2020 and the hardship ratings of field duty stations, effective 1 January 2022. The amounts of the hardship allowance with a 3.1 per cent increase, rounded to the nearest $10, as presented in annex XI to A/77/30, are reproduced in annex VI to the present report.

167. The Commission also discussed the need for a review of the adjustment factors of its approved methodology for the hardship allowance. It agreed to include the issue in the forthcoming comprehensive review of the compensation package.

Decisions of the Commission

168. The Commission decided:

(a) To confirm its previous decision taken in 2022 (A/77/30, para. 219), in accordance with article 11 (b) of its statute, of granting a 3.1 per cent increase for the hardship allowance, but with effect from 1 January 2024 (see annex VI for revised amounts of the hardship allowance);

(b) To review the hardship allowance during the forthcoming comprehensive review of the compensation package.

C. Mobility incentive: review of level

169. In 2022, the Commission reviewed the level of the mobility incentive in accordance with the approved review cycle and decided to revise the level, effective 1 January 2023 (A/77/30, para. 228).

170. The General Assembly, in its resolution 77/256 B of 30 December 2022, invited the Commission to reconsider its decisions on the level of the mobility incentive and to assess the calculation methodology on the basis of the outcome of the next comprehensive compensation review. In the same resolution, recalling section E, paragraph 3, of its resolution 74/255 B, the Assembly reiterated its encouragement to the organizations of the United Nations common system to consider the application of alternative administrative measures, including non-financial incentives, to promote staff mobility, and the linking of mobility to staff development and career progression, to the extent possible.

171. In accordance with the current review cycle, the level of the mobility incentive is reviewed every three years. In 2015, the Commission decided to recommend a mobility incentive, in lieu of the previous mobility allowance, to encourage mobility of staff to field duty stations (A/70/30, para. 431). The incentive, as approved by the General Assembly in its resolution 70/244, was established as from 1 July 2016.

172. A review of the level was carried out in 2019 and at that time the annual amount for the P-1 to P-3 grade band (100 per cent of the weighted average monthly net base salary) was set as the lower limit ($6,700). The amount for the P-4 and P-5 grade band was set at 125 per cent of the limit ($8,375) and the amount for staff at the D-1 level and above was set at 150 per cent of the limit ($10,050). In accordance with resolution 70/244, the mobility incentive applies to staff with five consecutive years of prior service in an organization of the common system and from their second assignment (that is, following the first geographical move), excluding category H duty stations, and is increased by 25 per cent upon the fourth assignment and by 50 per cent upon the seventh assignment. Therefore, the mobility incentive is reflected in a matrix that varies by grade bands and number of assignments. The incentive is discontinued after staff have spent five consecutive years at the same duty station.

173. In accordance with the adjustment methodology approved by the Commission, the weighted average monthly net base salary of staff in the Professional and higher categories in the year of the review was to be used to revise the amounts of the mobility incentive in 2022. On the basis of the applicable net base salaries effective 1 January 2022 and the latest available staff data from the CEB personnel database as at 31 December 2020, the mobility incentive for the P-1 to P-3 grade band (for two to three assignments) amounted to $6,900 per year, which corresponded to 100 per cent of the weighted average monthly net base salary. The rest of the matrix has been recalculated accordingly, as shown in table 2.

Table 2
Proposed new amounts for the mobility incentive

(United States dollars)

Assignment number	*Group 1 (P-1 to P-3)*	*Group 2 (P-4 to P-5)*	*Group 3 (D-1 and above)*
2 to 3	6 900	8 625	10 350
4 to 6	8 625	10 781	12 938
7+	10 350	12 938	15 525

174. The financial implications associated with the proposed increase in the mobility incentive were estimated at approximately $2.5 million per annum system-wide.

Discussion in the Commission

175. The representative of the Human Resources Network noted that the item under review concerned only the level of the essential allowance, and comments were thus limited to the subject matter. The representative stated that the Network concurred with the research, findings and recommendation resulting from the review.

176. The representative of FICSA noted that for many common system organizations mobility was considered a prerequisite to effectively deliver on current and future mandates and meet rapidly changing operational needs. It was acknowledged that, while not all organizations required a mobile workforce, the majority recognized the importance of mobility, and some were working towards developing or improving policies that facilitated a culture of mobility. FICSA emphasized the significance of ensuring that the right people were in the right place at the right time, highlighting that staff motivation and appropriate compensation, both financial and otherwise, were crucial factors for enabling movement across duty stations, organizations and hardship duty stations. In the Federation’s view, while the non-financial incentives, such as career development, could partly contribute to mobility in certain cases, those incentives alone did not promote staff mobility and could even be counterproductive as linking mobility requirements with career development would not incorporate the qualitative aspects of career growth. Such an approach only established an eligibility requirement for promotion and could be counterproductive for deploying the right personnel in a timely manner, which was the essence of mobility. FICSA highlighted that many duty stations were classified as hardship locations, where staff faced challenges such as limited access to basic amenities, security threats, difficult environments, psychological hardships, isolation and separation from their families. Despite these hardships, staff remained committed to the principle of leaving no one behind. FICSA argued that providing modest yet fair financial incentives could help to compensate for the difficult conditions experienced by staff in such duty stations. In addition, FICSA recalled that these financial incentives served as a strong indicator to the next generation of international civil servants that the United Nations common system was a responsible employer that was making efforts to attract, recognize, reward and retain a dynamic, adaptable and committed mobile workforce, setting an example for other employers. FICSA fully concurred with the proposed recommendation to update the level of the mobility incentive.

177. The representative of CCISUA expressed agreement with the proposed increase in line with the methodology approved by Member States during the compensation review in 2015, which the General Assembly had praised as modern and fit for purpose at that time. CCISUA considered that, if the decision on this point were to be revisited in the context of the current comprehensive review, owing to the challenging discussions that had occurred during the previous compensation review, staff expected Member States to honour their commitments. In the Federation’s view, failure to do so would pose a risk of undermining staff confidence in the Commission itself.

178. The representative of UNISERV expressed full support for the mobility incentive and the proposed increase in the amount, despite the forthcoming comprehensive review of the compensation package. The federation also endorsed the intention to establish and promote a culture of mobility within the common system, but it observed that mobility still remained relatively uncommon in various organizations owing to the existence of significant barriers to inter-organizational mobility, often attributed to the organizations’ unwillingness or inability to assume liabilities or create a supportive framework. Within the United Nations Secretariat,

UNISERV noted that mobility had been on hold for several years, resulting in many staff members becoming stuck in hardship duty stations. While these staff members desired mobility, opportunities were scarce or virtually non-existent. UNISERV further observed that, with the decline in peacekeeping operations, opportunities for mobility, in particular for specific categories of staff, such as the Field Service category, were becoming increasingly less available. Considering that the reduction in United Nations peacekeeping operations would have an impact on the number of staff eligible to receive the mobility incentive and realizing that the comprehensive review outcomes would likely take effect in another two to three years, UNISERV believed that adherence to the established review cycle at this stage was prudent. The federation found it disheartening to observe that the General Assembly had not accepted the proposal based on a methodology that it had previously deemed fit for purpose.

179. The Commission noted that mobility for the Professional and higher categories of staff was an integral part of their service and that most staff in this category were expected to be mobile. The Commission recalled General Assembly resolution 77/278 on human resources management in the United Nations Secretariat in which the Assembly stressed the urgent need to nurture a culture of staff mobility. It was recalled that, during the previous comprehensive review of the compensation package, which had earlier included a mobility allowance, the Commission had discussed whether mobility should be incentivized. The Commission had recommended a flat amount as payment to incentivize mobility to field locations and recalled that it was the decision of the Assembly at that time (2015) to increase the amount of the allowance by 25 per cent for the fourth to sixth assignments and by 50 per cent for the seventh and subsequent assignments of staff.

180. It was recalled that the results of the ICSC global staff survey in 2019 on conditions of service had shown that 78 per cent of respondents indicated that they were in receipt of the mobility incentive or were aware of it. In the same year, 65 per cent of respondents indicated being mobile (i.e. having served in two or more duty stations continuously for one year or more), representing an 11 per cent increase compared with 2013. Compared with 49 per cent of respondents at headquarters duty stations, 81 per cent of respondents at field duty stations were mobile. A total of 63 per cent of staff who responded to the survey indicated that they would like to transfer to another duty station within two years. It was noted that 16 per cent of respondents had indicated that they had turned down an offer of a post at another duty station, with the most cited reason being the belief that a move would create difficulties for the staff members or their family.

181. Some members of the Commission stated that mobility, in principle, should be seen as inherent in the conditions of service for internationally recruited staff, but that incentives could encourage it. While understanding the staff federations' description of the core problems, members questioned whether financial incentives solved any of the problems related to mobility. They also considered it necessary to assess whether the number of assignments could be used as additional points for career progression and advancement, considering that financial incentives and mobility should be linked to personal and professional development. One member of the Commission observed that the cases for mobility would depend upon the mandate of the organization and the nature of the work, with a clear definition of geographical mobility and careful categorization and verification based on statistics and facts being required. This should possibly include revisiting the current system in which a higher number of geographical moves being proportionately financially rewarded might have a side effect of working against mobility. This would require further studies and development. The Commission was provided with examples of how mobility/rotation was being implemented in WFP and UNFPA. WFP highlighted that it required its their

staff to be mobile and considered geographical mobility a prerequisite for career advancement.

182. Some members of the Commission noted that mobility was seen as a career development matter, rather than purely a compensation matter. In that vein, the Commission recalled its ongoing work on the review of the framework for human resources management and aimed to strengthen the linkages between mobility and recruitment and selection, staff development and learning, performance management and other elements.

183. The Commission was apprised that there would be a mobility exercise in the United Nations Secretariat in 2023 through a new consolidated approach to staff mobility, which could offer additional insights for the compensation review. The assessment of the methodology and how useful the incentive had been, as well as the underlying principles in devising the structure of the incentive, which varied across grade levels, would need to be carefully examined during the compensation review to ensure consistency and assess the relationship with other compensation elements such as the hardship allowance.

184. It was recalled that, during its deliberations on the previous review of the compensation system, the Commission had noted that mobility should be driven by work requirements relating to the international character of the organizations of the common system. The Commission had decided to revisit the mobility incentive after five years of its implementation, in order to re-evaluate the need for such an incentive, with the expectation that, by that time, all organizations in the common system would have a mobility culture. At that review of the purpose, effectiveness and efficiency of the mobility incentive in 2021, the Commission considered that the incentive was a good tool that needed to be retained for duty stations where there might be shortfalls in staffing. It recognized that staff mobility requirements varied according to the mandates, size, operational needs, programmes and activities of the organizations, and noted the purpose of the mobility incentive as a powerful tool for enhancing a mobility culture in the common system. Consequently, the Commission had decided to review the mobility incentive after five years (i.e. in 2026) in order to re-evaluate the need for such an incentive, with the expectation that, by that time, all organizations in the common system, in particular organizations with a field presence, would have a fully developed mobility culture. The mobility incentive would, however, be reviewed sooner, that is, in the context of the compensation review initiated in 2023.

185. With respect to both the hardship allowance and the mobility incentive, some members highlighted the positive impact that these entitlements had for gender diversity. In previous assessments, an analysis of the data had shown that the proportion of women at category A to E duty stations had increased from 37.5 to 40.3 per cent between 2015 and 2019.

186. The Commission noted that the item at hand was focused on the level of the mobility incentive and not on the purpose of the incentive or how it was being used, which would be discussed in the context of the comprehensive review. The Commission reconsidered the matter of increasing the level of the hardship allowance and mobility incentive, and in accordance with its statute decided to confirm its previous decision. Members of the Commission considered it necessary to reaffirm the decision that it had approved in 2022. Acting otherwise would not be consistent with the statute. Other members of the Commission pointed out that the General Assembly did not set aside the Commission’s decision of 2022 but had asked the Commission to reconsider it.

187. Some members of the Commission expressed concern at the fact that a decision taken by the Commission under the authority conferred upon it by article 11 of its

statute had not been implemented, without a clear legal basis for the delay, and stated that information on the issue should have been included in the report on the implementation of decisions of the Commission. One member of the Commission argued that, as the delayed implementation had no legal basis, the new level should be implemented retroactively from 1 January 2023. Another member of the Commission stated that, if questions of retroactivity were to be analysed, they were to be extended to the new post adjustment for Geneva. However, there was no consensus on either of these matters.

188. Adhering to article 11 (b) of the ICSC statute and decisions taken in accordance with it, one organization, WFP, reported that it had implemented the updated levels of the mobility incentive in accordance with the Commission's decision in 2022. Other organizations were waiting for the Commission to reconsider its decision, as requested by the General Assembly. The Commission underscored the need for a harmonized common system and consistency in the application of salaries, allowances and benefits.

189. The Commission reconsidered its previous decision of 2022 and reached a consensus to confirm its decision to increase the mobility allowance, but with an effective date of 1 January 2024. The Commission also committed to reviewing the mobility incentive in the forthcoming compensation review, in particular its purpose, effectiveness and efficiency, as well as non-financial incentives to promote staff mobility.

Decisions of the Commission

190. The Commission decided to:

(a) Reaffirm its decision to confirm the amounts in the mobility incentive matrix as shown in table 2, with effect from 1 January 2024;

(b) Review the mobility incentive in the context of the ongoing comprehensive compensation review, including non-financial incentives to promote staff mobility, and the linking of mobility to staff development and career progression, to the extent possible.

D. Danger pay: review of level

191. Danger pay was introduced from 1 April 2012 as a special allowance for internationally and locally recruited staff who are required to work in locations where very dangerous conditions prevail. It has historically been paid as a set global amount for all internationally recruited staff and as a country-specific amount for locally recruited staff on the basis of applicable salary scales, which serve as the basis for establishing the levels of danger pay. In the context of the previous comprehensive review of the compensation package, the Commission had decided on the cycle for review of the levels of allowances under its purview, in accordance with the schedule outlined in annex X to its annual report for 2016 (A/71/30). The level of danger pay is reviewed every three years, in accordance with the methodology established by the Commission in 2017.

192. For internationally recruited staff, the level of danger pay is adjusted using as a reference the three factors applied for the hardship allowance, namely: (a) the average movement of net base salary plus post adjustment at the eight headquarters duty stations of the United Nations system; (b) movement of the out-of-area index; and (c) movement of the base/floor salary scale.

193. With regard to the above-mentioned three adjustment factors, it should be noted that, in 2011, the Commission was of the view that no specific weighting of the three

factors had been prescribed, but rather that all three factors should be reviewed holistically and pragmatically in order to provide an indication of whether any adjustments were warranted. When it had previously reviewed the allowances that fall under the mobility and hardship scheme, the Commission considered the movement of the net base salary as the most stable of the three adjustment factors and took it as the point of departure. On the same basis, for the review in 2020, the Commission had adjusted the level of danger pay for internationally recruited staff from $1,600 per month to $1,645 per month, using as a reference the movement of the base/floor salary scale.

194. For locally recruited staff, the Commission decided at its seventy-fourth session to increase the level of danger pay from 1 January 2013 to 30 per cent of the net midpoint of the applicable General Service salary scales in effect in 2012 in respect of those duty stations that qualified for danger pay. It was recalled that the nominal amounts of the former hazard pay granted to locally recruited staff had not been static, but had been adjusted automatically whenever the salary scales were adjusted. Given such automaticity, which had been declared undesirable by the General Assembly, the Commission therefore decided to delink danger pay from the salary scales of locally recruited staff as from 1 January 2013. In its previous review of the danger pay level, in 2020, the Commission had decided to set the level of danger pay for locally recruited staff at 30 per cent of the net midpoint of the applicable General Service salary scales that were in effect in 2019. Once established, those amounts were then delinked from the salary scales.

195. For the current review of the level of danger pay for internationally recruited staff, based on an analysis of all three adjustment factors for the three-year period from 2020 to 2022, the percentage increases in the amounts for each factor were as follows: (a) average movement of net base salary plus post adjustment at headquarters duty stations: 1.49 per cent; (b) movement of the out-of-area index: 5.32 per cent; and (c) movement of the base/floor salary scale: 3.22 per cent. The relationship between danger pay and the net midpoint of the base/floor salary scale in effect in 2020 is 23.02 per cent.

196. Following the same approach as the prior review in 2020, a proposal to adjust the level by 3.22 per cent was presented for consideration by the Commission. That would update the level of danger pay for internationally recruited staff from $1,645 to $1,698 per month.

197. For locally recruited staff, the methodology for adjustment of the danger pay level approved by the Commission in 2017 would be applied. In accordance with this methodology, the levels would be adjusted using as a reference the net midpoint of the applicable scales in effect in the year prior to the scheduled review and applying 30 per cent to calculate the country-specific amounts. The reference year that was used to set the current levels of danger pay for locally recruited staff was 2019. The proposal for consideration by the Commission was an adjustment of the level of danger pay for locally recruited staff on the basis of updating the reference year of the applicable General Service salary scales from 2019 to those in effect in 2022 and applying 30 per cent to the midpoint of those salary scales.

198. A list of locations for which the payment of danger pay has been approved is available on the ICSC website.[5]

Discussion in the Commission

199. The representative of the Human Resources Network recalled that danger pay was a special allowance established for staff who were required to work in locations

[5] See https://icsc.un.org/Home/DataDangerPay.

where very dangerous conditions prevailed, comprising the following: (a) duty stations where United Nations staff, owing to the very fact of their association with, or employment by, an organization of the common system, were clearly, persistently and directly targeted or where premises were clearly, persistently and directly targeted, thus presenting an imminent and constant threat to staff and activities; (b) duty stations where United Nations staff or premises were at high risk of becoming collateral damage in a war or active armed conflict; and (c) non-protected environments in which there was a specific risk to the life of medical staff when deployed to deal with public health emergencies as declared by WHO. As such, this allowance was considered a critical underpinning for the ability of field-based organizations to deploy staff to such dangerous duty stations. Therefore, the Network concurred with the analysis contained in the document and supported the recommended actions to update the levels of danger pay.

200. The representative of FICSA stated that there were real costs for staff associated with the situations observed in those duty stations and that the allowance was a key part of the package to continue to attract and retain staff in dangerous duty stations. The representative noted that the level was last updated in 2020 and that it was now timely to adjust the level again, after a three-year cycle, concurring with the very minor increase proposed for international staff from $1,645 to $1,698, and continuing the practice of determining danger pay for locally recruited staff at 30 per cent of the midpoint of the General Service salary scale in 2022 at the given duty station. The appropriateness of the methodology, especially for national staff, could be subject to discussion and increment, especially in the current economic situation, but FICSA reserved this discussion for the forthcoming compensation review.

201. The representative of CCISUA was in agreement with the suggested update of the level of danger pay for internationally recruited staff to $1,698 per month, using as a reference the movement of the net base salary, and the update of the amount of danger pay for locally recruited staff to 30 per cent of the midpoint of the most recent applicable General Service salary scales in effect in 2022. However, the federation suggested that, during the comprehensive review, the differentiation between international and national staff be looked at closely as danger did not differentiate between international and national staff – all staff were faced with danger the same way and perhaps the payment should reflect that accordingly.

202. The representative of UNISERV, while expressing the feeling that no amount of money could really compensate for the exposure to extreme danger and the potential consequences to health, mental health and well-being from such exposure, was grateful for the acknowledgement of the exposure to danger and the willingness to compensate both local and international staff members financially for serving so willingly in the course of their duties. UNISERV welcomed the proposals made in the document and was hopeful that the Commission would successfully persuade Member States that this nominal increase in financial contribution to acknowledge staff exposure to danger, which was often life-threatening, was fully warranted. While the current agenda item was focused on the review of level of danger pay, UNISERV highlighted some additional elements and invited the Commission to consider them as part of the comprehensive review. For instance, locally recruited staff operating in some of the most dangerous environments were using danger pay to cover a range of additional costs related to bolstering their own security and that of their families, in the awareness that their association with the United Nations increased their risk either of aggression or of extortion/kidnapping for ransom. Examples included accounts of staff having to take up to three different taxis to avoid being followed on their way to work; paying "security fees" to gangs at spontaneous checkpoints on their way to work; or feeling the need to relocate residences in the light of the security situation. Across the system, locally recruited staff were investing their own salaries in

strengthening their homes or moving into buildings or compounds with armed security, without the benefit of adequate compensation. Given the way in which danger pay was currently calculated for locally recruited staff, it often compounded another known issue: the fact that the most violent and anarchic duty stations were those where it was hardest to find adequate comparators – because economic activity had either collapsed altogether or happened mostly underground, in shadow markets or with a strong component of kickbacks and corruption, which the United Nations could not logically incorporate into the salary survey methodology. A low outcome of a local salary survey led to a low danger pay in locations where staff needed it most.

203. The Commission noted that danger pay was perhaps one of the most important allowances applicable to staff serving in the organizations, specifically in the context of increased emergencies across the world. It recalled that danger pay reflected the recognition that staff members showed courage by serving in dangerous locations and risked their lives for the organization.

204. Some members of the Commission expressed concern at adjusting the levels of danger pay before a comprehensive review of the compensation package. However, given the nature and purpose of the allowance, the Commission felt that adjusting the levels of danger pay in accordance with the current methodology and the established schedule would be justifiable and should be supported.

205. With regard to internationally recruited staff, the Commission noted that the three adjustment factors previously used as a reference remained relevant. The Commission reiterated its decision to take an objective and pragmatic approach to reviewing the level of danger pay. Noting the approach that it had taken in previous reviews of the allowance, the Commission considered that the movement of the net base salary continued to be the most stable of the three factors. Applying the same approach to the current review would result in an update of 3.22 per cent.

206. For locally recruited staff, the Commission recalled that the methodology established in 2017 called for updating the reference year of the applicable General Service salary scales to those in effect in the year prior to the scheduled review. For the current review, the reference year would therefore be 2022. According to the methodology, whereby multiple General Service salary scales had been issued and were effective in the reference year, the most recent one was to be used. Once established, the amounts for each country were then delinked from the salary scales. Some members of the Commission raised questions about the applicability of the methodology for setting danger pay and identified this as requiring clarification and better justification in the context of the forthcoming compensation review. Some Commission members highlighted that some elements of the compensation package such as danger pay and other payments related to mobility should be considered in the context of the ICSC framework for human resources management, which was currently under review. In this regard, and in particular on the issue of staff mobility, which was managed in accordance with the organizations' mobility policies, the Commission was of the view that more could be done to incentivize mobility through non-financial means.

207. Commission members recalled that danger pay was payment in recognition of staff members putting their lives at risk in the service of the organization. Some of the Commission members were of the view that the principle of equity was therefore important and that there was merit in recognizing that the life of each staff member was important and equally valued, although there could be no monetary value for human life. In discussing equity, the Commission recalled that, in its earlier considerations on the possible adjustment methodology for danger pay, it had been of the view that one global rate for locally recruited staff would not be in keeping with the notion of equity, as any flat rate would create inequity given the different General

Service salary scales at the different duty stations. The Commission considered that the forthcoming compensation review provided an opportunity to examine danger pay at the conceptual and methodological levels, including assessing the gap between local and international staff.

208. Regarding the incentivization of staff to take up assignments in locations eligible for danger pay, the representative of UNISERV stated that danger pay incentivized internationally recruited staff to serve in dangerous locations. However, national staff did not have that choice and in fact used danger pay to boost their own family's security.

209. The ICSC secretariat recalled that danger pay was not intended as a payment to compensate for risks associated with serving in dangerous environments. Such compensation is governed under the organization's policies and provisions that cover illness, injury or death as a direct result of service with the organization. Some examples of such provisions included compensation under a malicious acts insurance policy and appendix D to the Staff Regulations and Rules of the United Nations or its equivalent in the case of specialized organizations. Clarification was also provided on the difference between the levels of danger pay between the two categories of staff, which were linked to the principles for setting pay and allowances for internationally recruited staff that were distinct from those for locally recruited staff, namely the Noblemaire and Flemming principles.

210. Given that it was difficult to predict the places where danger pay might be applicable at any point in time in the future, total financial implications could be estimated only on the basis of data available from CEB personnel statistics for the common system. The size of a duty station in terms of the number of staff present had a significant impact on the costs, as did the period of eligibility for the allowance. The financial implications were estimated to be approximately $2.6 million system-wide with regard to the payment of danger pay at $1,698 per month for internationally recruited staff, and $7.3 million system-wide with regard to the payment of danger pay for locally recruited staff at 30 per cent of the net midpoint of the applicable General Service salary scales for 2022.

211. Notwithstanding the concerns raised with regard to the methodology, the Commission agreed that the task at hand was to review the level of the allowance in accordance with the established schedule and methodology, while acknowledging that the comprehensive compensation review was imminent. Therefore, the Commission reserved its consideration on the review of the methodology and on how danger pay linked with other compensation elements for the forthcoming comprehensive review of the compensation package, bearing in mind that the General Assembly, in its resolution 77/256 B, had invited the Commission to reconsider its decisions on the amount of the hardship allowance, which was determined using the same indicators.

Decisions of the Commission

212. The Commission decided:

(a) To update the level of danger pay for internationally recruited staff to $1,698 per month with effect from 1 January 2024;

(b) To update the monthly level of danger pay for locally recruited staff with effect from 1 January 2024 by updating the reference year of the salary scales on which the calculations were based from 2019 to 2022, as well as by applying 30 per cent to the net midpoint of the most recent General Service salary scales in effect in 2022, divided by 12;

(c) To review danger pay in the context of the forthcoming comprehensive compensation review.

E. Security evacuation allowance: review of level

213. The security evacuation allowance was established in 2012 to assist in offsetting the expenses of staff members and eligible family members who had been evacuated from their official duty stations. In accordance with the current review cycle, the level of the security evacuation allowance is to be reviewed every three years. The last review of the level was conducted in 2020.

214. The daily amount of the security evacuation allowance was established by the Commission in 2012 at $200 per day in respect of staff members and $100 (50 per cent) in respect of each eligible family member, for up to 30 days. After 30 days, the amounts are reduced by 25 per cent, to $150 and $75, respectively, for a maximum period of six months, whereupon an evacuation would usually have been lifted or the duty station designated as a non-family duty station. The Commission also stipulated that a duty station could be declared as a non-family duty station prior to the six-month mark following evacuation; specifically, at the three-month mark following the assessment of the situation, on the basis of a review by the Department of Safety and Security and its advice to the Chair of the Commission. Furthermore, in the event that the evacuation continued and that the duty station had not been designated as a non-family duty station, an extended monthly security evacuation allowance, in the same amount as that provided under the non-family service allowance payable at non-family duty stations, would be applicable. The Commission also approved a single lump sum of $500 for shipment, applicable at the time of evacuation.

215. Twelve duty stations – Yaoundé (Cameroon), Nicosia (Cyprus), Santo Domingo (Dominican Republic), Cairo (Egypt), Addis Ababa (Ethiopia), Accra (Ghana), Amman (Jordan), Nairobi (Kenya), Dakar (Senegal), Johannesburg (South Africa), Kampala (Uganda) and Dubai (United Arab Emirates) – are designated by the field-based organizations as safe havens and have been used as such. These safe haven locations tend to be near difficult or non-family duty stations, offering a safer environment with the necessary infrastructure in terms of logistics, transportation, communications, medical facilities, housing and security.

216. On the basis of the methodology used to calculate the allowance, the ICSC secretariat reviewed the level by analysing the level of the post-60-day daily subsistence allowance rates for the 12 safe haven locations. As of January 2023, the average of those rates was $190, as the prevailing rate increased in some locations and decreased in others.

217. The organizations had reported evacuations of 328 staff and 864 dependants during the three-year period from 2019 to 2021, incurring costs of approximately $11 million for the period system-wide. There were no reported instances in which the extended monthly security evacuation allowance was applicable, owing to the carefully managed process for designating a duty station as a non-family duty station, which prevents protracted periods of evacuation status. A duty station is designated as a non-family duty station once there is sufficient clarity with regard to developments relating to the security situation, normally occurring within the prescribed six-month period. It was also highlighted that, when possible, the evacuated staff members would be either redeployed to other locations or assigned to working from home, in which case the security evacuation allowance would cease to apply.

218. It was recalled that, at the most recent review of the level of the security evacuation allowance, in 2020, the Commission had decided to maintain the amount of the existing allowance at $200. At that time, the average of the post-60-day daily subsistence allowance rates applicable at the designated safe havens was $190. That amount was considered very close to the current security evacuation allowance rate of $200. In the previous review, in 2017, the average was $196. In 2012, when the

Commission had established the allowance, the average of the post-60-day daily subsistence rates applicable at the designated safe havens was $208, which was considered not to be significantly higher than the prevailing security evacuation allowance amount of $200. Therefore, the secretariat proposed that the Commission maintain the security evacuation allowance at its current level.

Discussion in the Commission

219. The representative of the Human Resources Network reiterated the position that the Network had expressed in previous reviews since 2013: that this topic was not one of benefits and entitlements, but essentially of an administrative cost reimbursement mechanism in specific security situations that were handled by the Department of Safety and Security. With this in mind, organizations had no issues regarding the substance of maintaining current levels for the time being.

220. The representative of FICSA concurred with the continued importance of the allowance as part of the duty of care of all United Nations common system organizations towards their staff, while maintaining the current levels. CCISUA fully agreed with the suggested update of the level of the security evacuation allowance, which was adjusted according to the length of the evacuation, noting that the 12 duty stations used as safe haven locations were appropriate. UNISERV generally supported the outcome of the review, but questioned how current economic realities and inflationary pressures were being considered in determining whether the levels were sufficient and fit for purpose in terms of compensating staff and/or their dependants for the extra expenses that they incurred from being forced to relocate to a temporary residence. The representative of UNISERV also raised concerns about the interlinkage between evacuation instructions and non-family duty station designations, proposing that the designation should be automatic to avoid single parents having to send their children away without necessary facilities.

221. The Commission considered that the security evacuation allowance was paid during evacuations from dangerous situations when the lives of staff members and/or their dependants were at stake, recalling its purpose, which is to assist in offsetting direct added expenses of staff members and their eligible family members who are evacuated from their official duty stations. Noting that the nature of situations warranting the payment of the allowance was unpredictable and that evacuations could occur in the most unpredictable manner, the Commission acknowledged the extreme challenges that such situations placed on staff members and their families. Examples of recent evacuations included Afghanistan, Ethiopia, Myanmar and Ukraine. In some instances, a full evacuation of staff members and their eligible dependants had occurred, while others involved the evacuation of dependants only or, in cases of evacuations from non-family duty stations, staff members only.

222. While considering that the definition and purpose of the security evacuation allowance continued to be important and relevant, members of the Commission raised some questions regarding the methodology for setting the level of the allowance, including whether the use of a global rate was considered better than the application of a daily subsistence allowance rate. Some commission members suggested that the methodology could perhaps be reviewed in the context of the forthcoming compensation review. The Commission also observed that the level of the security evacuation allowance had remained unchanged at $200 since its establishment by the Commission in 2012, and that the average of the after-60-days daily substance rate had been on the decline since 2012.

223. The Commission recalled that it had considered the security evacuation allowance for the first time at its seventy-fourth session, in 2012. In accordance with article 11 (b) of its statute, the Commission had established the relevant rate of the security evacuation allowance. Therefore, the security evacuation allowance, which

had previously been set by the organizations, had been formalized under the auspices of the Commission. Accordingly, the allowance was included in the review cycle of the level of allowances under the Commission's purview, in accordance with the schedule outlined in annex IV to its annual report for 2016 (A/71/30).

224. With reference to the questions raised regarding the rationale for the global amount, it was recalled that the allowance had been introduced over time by United Nations common system organizations to support internationally recruited staff members during authorized security evacuations from duty stations for reasons of safety and security. Since 1994, the security evacuation allowance has been continuously reviewed by the organizations, the goal of which was a streamlined, simplified approach to security evacuation allowances. To achieve that goal, a single global amount was introduced, replacing differentiations and amounts linked to a daily subsistence allowance in a safe haven, home country or third country, depending on the location of evacuation. A global rate thus replaced a complex schedule of evacuation allowances and established a common approach for all common system organizations. When the security evacuation allowance was formalized under the auspices of the Commission in 2012, the Commission had at that time examined the various options. Taking into account the suggestion of the Human Resources Network and the Under-Secretary-General for Safety and Security to keep the security evacuation allowance as simple as possible, the Commission agreed to maintain the global amount approach. The Network at that time confirmed that the key objective for the organization was to have a single global amount for offsetting costs during evacuations.

225. In accordance with the established methodology, the level of the security evacuation allowance was set by reference to the average of the after-60-days daily subsistence allowance rates applicable at the designated safe havens. It was noted that those rates were regularly reviewed and updated to take into account current charges, such as for meals, lodging and other payments made for services rendered during official travel. It was observed that the average of $188 was not far from the current global security evacuation allowance of $200. Furthermore, the average of the after-60-days daily subsistence allowance rates applicable at the designated safe havens had been $208 in 2012, $196 in 2017 and $196 in 2020. Those amounts were considered not to be significantly different from the prevailing security evacuation allowance amount of $200. Therefore, in the light of the methodology, the Commission considered that the level of the allowance should be maintained.

226. Notwithstanding the comments raised about the methodology, the Commission agreed that the task at hand was to review the level of the allowance in accordance with the established schedule and methodology, while acknowledging that the comprehensive compensation review was imminent. Therefore, the Commission reserved its consideration on the review of the methodology and on how the security evacuation allowance links with other compensation elements for the forthcoming comprehensive review of the compensation package.

Decisions of the Commission

227. The Commission decided:

(a) To maintain the security evacuation allowance at its current level of $200 per day for staff and $100 per day for each eligible family member for up to 30 days and thereafter $150 and $75, respectively, for a maximum period of six months. It also agreed to maintain the single lump sum of $500 for shipping, applicable when staff members or their families were evacuated;

(b) To review the security evacuation allowance in the context of the forthcoming comprehensive compensation review.

Annex I

Programme of work of the International Civil Service Commission for 2024–2025

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 applicable to both categories of staff:

(a) Review of the human resources framework;

(b) Review of the standards of conduct;

(c) Standards of accommodation for air travel;

(d) Geographical diversity and rejuvenation of the workforce;

(e) Global staff survey;

(f) Assessment and review of the implementation of the parental leave framework (General Assembly resolution 77/256 A and B).

3. Conditions of service of the Professional and higher categories:

(a) Base/floor salary scale;

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

(c) Review of staff assessment rates for grossing-up purposes (Tax Equalization Fund);

(d) Post adjustment issues: reports and agendas of the Advisory Committee on Post Adjustment Questions;

(e) Comprehensive review of the compensation package;

(f) Education grant: review of level;

(g) Children's and secondary dependants' allowances: review of methodology and level.

4. Conditions of service of the General Service and other locally recruited categories:

(a) Implementation of local salary survey methodologies: surveys at headquarters locations;

(b) Review of local salary surveys at headquarters duty stations.

5. Conditions of service in the field: payment of an amount in lieu of a settling-in grant at category D and E duty stations that are not designated as non-family duty stations (General Assembly resolutions 73/273, sect. III; 75/245, sect. D; and 76/240, sect. D).

6. Monitoring of implementation of the decisions and recommendations of the International Civil Service Commission and the General Assembly.

Annex II

Implementation of the parental leave framework approved by the International Civil Service Commission in 2022

Organization	*16 weeks for all parents*[a]	*Additional 10 weeks for birth mother*[a]	*Comments*
CTBTO	No	No	Requires a revision to the staff regulations, to be presented to the governing body at its next session
FAO	Yes	Yes	From 1 January 2023, FAO has extended the special leave with full pay to 16 weeks, with 10 weeks for birth parents, pending formal revisions and endorsements at the next session of the Council
IAEA	Yes	Yes	The Director General has approved the implementation of the new parental leave framework for a child born or adopted on or after 1 January 2023. Policy revisions are in progress
ICAO	Yes	Yes	–
IFAD	Yes	Yes	–
ILO	Yes	Yes	Transitional measures applied in respect of all eligible officials who became parents on or after 22 July 2022
IMO	Yes	Yes	–
ISA	No	No	To be presented to the Senior Management Group in due course
ITC	Yes	Yes	–
ITLOS	No	No	Due to financial implications
ITU	Yes	Yes	–
PAHO	Yes	Yes	–
UNAIDS	Yes	Yes	–
UNDP	Yes	Yes	–
UNESCO	No	No	To be presented to the Executive Board. The organization faces budgetary constraints on the implementation of the enhanced parental leave framework in respect of the backfilling of posts and parental leave of staff on project appointments. Currently, birth parents are entitled to 16-week maternity leave (prenatal and postnatal) and 8-week special leave with full pay for breastfeeding
UNFPA	Yes	Yes	–
UNHCR	Yes	Yes	Effective 1 June 2023
UNICEF	Yes	Yes	–

Organization	16 weeks for all parents[a]	Additional 10 weeks for birth mother[a]	Comments
UNIDO	Yes	Yes	–
United Nations	Yes	Yes	–
UNOPS	Yes	Yes	–
UNRWA	No	No	In the process of promulgation of the administrative instruments, retroactive to 1 January 2023
UN-Women	Yes (1 February 2020)	Yes	–
UNWTO	No	No	The relevant administrative issuance is being circulated internally for final approval by the UNWTO Secretary-General, retroactive to 1 January 2023
UPU	No	No	The new parental leave framework was not included in the budget for 2023. UPU will include it in the budget for 2024
WFP	Yes	Yes	–
WHO	Yes	Yes	–
WIPO	Yes (15 June 2021)	No	Since 15 June 2021, all staff on fixed-term and continuing appointments are entitled to 16 weeks (non-gestational parents) or 24 weeks (gestational parents) of parental leave, replacing previous maternity, paternity and adoption leave entitlements. For temporary staff, gestational parents are entitled to 16 weeks and non-gestational parents are entitled to between 10 working days and eight weeks, depending on continuous service on the date of birth of the child (or the child's arrival in the case of adoption)
WMO	Yes	Yes	–

Abbreviations: CTBTO, Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization; ISA, International Seabed Authority; ITC, International Trade Centre; ITLOS, International Tribunal for the Law of the Sea; PAHO, Pan American Health Organization; UN-Women, United Nations Entity for Gender Equality and the Empowerment of Women; UNDP, United Nations Development Programme; UNICEF, United Nations Children's Fund; UNOPS, United Nations Office for Project Services; UNRWA, United Nations Relief and Works Agency for Palestine Refugees in the Near East.

[a] Effective 1 January 2023, unless otherwise noted.

Annex III

Proposed salary scale and pay protection points, effective 1 January 2024

A. Proposed salary scale for the Professional and higher categories showing annual gross salaries and net equivalents after application of staff assessment

(United States dollars)

Level		*Steps*												
		I	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI*	*XII*	*XIII*
USG	Gross	223 541												
	Net	163 037												
ASG	Gross	203 086												
	Net	149 537												
D-2	Gross	162 421	166 120	169 818	173 520	177 223	180 923	184 618	188 321	192 020	195 718			
	Net	122 698	125 139	127 580	130 023	132 467	134 909	137 348	139 792	142 233	144 674			
D-1	Gross	144 887	147 950	151 080	154 332	157 570	160 823	164 071	167 315	170 568	173 814	177 062	180 308	183 558
	Net	110 921	113 065	115 213	117 359	119 496	121 643	123 787	125 928	128 075	130 217	132 361	134 503	136 648
P-5	Gross	125 021	127 629	130 236	132 839	135 446	138 049	140 659	143 261	145 869	148 471	151 145	153 903	156 673
	Net	97 015	98 840	100 665	102 487	104 312	106 134	107 961	109 783	111 608	113 430	115 256	117 076	118 904
P-4	Gross	101 997	104 511	107 027	109 541	112 054	114 569	117 087	119 601	122 114	124 626	127 146	129 653	132 169
	Net	80 898	82 658	84 419	86 179	87 938	89 698	91 461	93 221	94 980	96 738	98 502	100 257	102 018
P-3	Gross	83 662	85 805	87 950	90 091	92 237	94 379	96 522	98 668	100 880	103 206	105 539	107 864	110 193
	Net	67 083	68 712	70 342	71 969	73 600	75 228	76 857	78 488	80 116	81 744	83 377	85 005	86 635
P-2	Gross	64 742	66 659	68 575	70 491	72 412	74 330	76 251	78 162	80 080	81 996	83 914	85 836	87 751
	Net	52 704	54 161	55 617	57 073	58 533	59 991	61 451	62 903	64 361	65 817	67 275	68 735	70 191
P-1	Gross	49 664	51 262	52 888	54 516	56 142	57 771	59 396	61 026	62 651	64 282	65 908	67 533	69 162
	Net	41 221	42 459	43 695	44 932	46 168	47 406	48 641	49 880	51 115	52 354	53 590	54 825	56 063

Abbreviations: ASG, Assistant Secretary-General; USG, Under-Secretary-General.
Note: The normal qualifying period for in-grade movement between consecutive steps is one year. The shaded steps in each grade require two years of qualifying service at the preceding step.

B. Proposed pay protection points for staff whose salaries are higher than the maximum salaries on the unified salary scale

(United States dollars)

Level		*Pay protection point 1*	*Pay protection point 2*
P-4	Gross	134 687	137 203
	Net	103 781	105 542
P-3	Gross	112 519	114 844
	Net	88 263	89 891
P-2	Gross	89 667	
	Net	71 647	
P-1	Gross	70 787	
	Net	57 298	

Annex IV

Proposed pensionable remuneration and pay protection points, effective 1 January 2024

A. Pensionable remuneration for staff in the Professional and higher categories

(United States dollars)

	Steps												
Level	*I*	*II*	*III*	*IV*	*V*	*VI*	*VII*	*VIII*	*IX*	*X*	*XI*	*XII*	*XIII*
USG	383 996												
ASG	351 191												
D-2	285 974	291 905	297 836	303 773	309 711	315 645	321 573	327 512	333 443	339 374			
D-1	257 356	262 565	267 784	272 999	278 192	283 409	288 621	293 822	299 039	304 245	309 455	314 659	319 873
P-5	223 565	227 998	232 434	236 861	241 297	245 723	250 162	254 590	259 024	263 452	267 889	272 312	276 754
P-4	184 401	188 677	192 956	197 232	201 508	205 784	210 068	214 344	218 620	222 891	227 177	231 443	235 722
P-3	151 138	155 041	158 947	162 846	166 754	170 655	174 580	178 544	182 499	186 455	190 424	194 379	198 340
P-2	117 035	120 431	123 826	127 221	130 649	134 144	137 641	141 120	144 615	148 105	151 597	155 097	158 584
P-1	90 263	93 148	96 029	98 915	101 795	104 683	107 562	110 450	113 330	116 218	119 099	121 980	124 865

Abbreviations: ASG, Assistant Secretary-General; USG, Under-Secretary-General.

B. Pensionable remuneration associated with pay protection points for staff whose salaries are higher than the maximum salaries on the unified salary scale

(United States dollars)

Level	*Pay protection point 1*	*Pay protection point 2*
P-4	240 005	244 284
P-3	202 296	206 252
P-2	162 073	
P-1	127 746	

Annex V

Yearly comparison and the development of the margin over time

A. Comparison of average net remuneration of United Nations officials in the Professional and higher categories in New York and United States officials in Washington, D.C., by equivalent grades (margin for calendar year 2023)

Grade	Net remuneration (United States dollars): United Nations[a,b]	Net remuneration (United States dollars): United States[c]	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[d]
P-1	78 490	64 924	120.9	105.7	0.6
P-2	101 340	80 396	126.1	110.3	11.1
P-3	130 176	102 509	127.0	111.1	30.9
P-4	156 734	120 793	129.8	113.5	33.3
P-5	185 575	138 217	134.3	117.5	17.3
D-1	210 441	156 978	134.1	117.3	5.1
D-2	229 600	166 149	138.2	120.9	1.7
Weighted average ratio before adjustment for New York/Washington, D.C., cost-of-living differential					129.6
New York/Washington, D.C., cost-of-living ratio					114.3
Weighted average ratio, adjusted for cost-of-living differential					113.3

[a] For the calculation of average United Nations salaries, CEB personnel statistics as at 31 December 2022 were used.

[b] Average United Nations net salaries by grade, reflecting 1 month at multiplier 69.9 and 11 months at multiplier 80.5, on the basis of the unified salary scale in effect from 1 January 2023.

[c] For the calculation of the average of United States federal civil service salaries, personnel statistics as at 31 December 2022 received from the United States Office of Personnel Management were used.

[d] 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 2022.

B. Calendar year net remuneration margin levels, 2014–2023

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Margin	117.4	117.2	114.5	113.0	114.4	113.4	113.0	113.4	113.9	113.3

Annex VI

Revised annual amounts payable under the hardship allowance, effective 1 January 2024

(United States dollars)

Hardship category	*Group 1 (P-1 to P-3)*	*Group 2 (P-4 and P-5)*	*Group 3 (D-1 and above)*
A	–	–	–
B	6 110	7 330	8 560
C	11 010	13 440	15 890
D	14 670	17 130	19 550
E	18 340	22 000	24 460

Annex VII

Implementation of the amendment to the statute of the International Civil Service Commission (General Assembly resolution 77/256 A)

	Organization (accepting the amendment to the International Civil Service Commission statute)	*Acceptance date*
1.	ILO	18 January 2023
2.	UNWTO	3 March 2023
3.	IAEA	March 2023
4.	WHO	30 May 2023
5.	WMO	30 May 2023
6.	ICAO	12 June 2023
7.	WIPO	13 July 2023
8.	UNIDO	–
9.	ITLOS	–
10.	IFAD	–
11.	CTBTO	21 July 2023
12.	FAO	–
13.	UNESCO	–
14.	ITU	August 2023
15.	UPU	May 2023
16.	IMO	19 July 2023
17.	ISA	24 July 2023

Abbreviations: CTBTO, Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization; ISA, International Seabed Authority; ITLOS, International Tribunal for the Law of the Sea.

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