

# Board of the Centre

85th Session, October 2021

CC 85/6 rev 2.

FOR DECISION

## SIXTH ITEM ON THE AGENDA

### Human Resources questions

#### I. Recommendations of the International Civil Service Commission

1. This section of the document provides information on the recommendations contained in the report of the International Civil Service Commission (ICSC) for the year 2021.
2. As far as section A. below is concerned, the General Assembly will not have reached any final decision concerning the recommendations at paragraph 20 below when the Board holds its 85th Session (October 2021). Since these measures, if approved, will come into effect for all organizations within the United Nations (UN) System and have financial implications for the Centre as from 1 January 2022, these recommendations are being submitted for approval by the Board at its current session.
3. Section B. is submitted for information.

#### A. Base salary scale

4. The base/floor salary scale for staff in the professional and higher categories is set by reference to the base General Schedule salary scale of the Federal Civil Service of the United States, which has been the comparator civil service since the creation of the UN. Periodic adjustments are made on the basis of a comparison of net salaries of UN officials at the midpoint of the scale with the corresponding salaries of their counterparts in the comparator civil service. The adjustments are implemented by means of the standard no-loss-no-gain method of consolidating post-adjustment points into the base/floor salary scale while commensurately reducing post-adjustment levels.
5. As a result of an increase in the reference comparator pay level in net terms, the ICSC has recommended to the General Assembly for approval with effect from 1 January 2022 a revised base/floor salary scale for professional and higher categories of staff with a 0.92 per cent adjustment implemented through the standard no-loss-no-gain consolidation method described in paragraph 3 above.<sup>1</sup> The proposed increase in the salary should also be applied to the pay protection points for staff whose salaries were higher than those at the maximum level of their grade on conversion to the unified salary scale. This adjustment also implies a proportional increase in end-of-service

<sup>1</sup> CSC/90/R.13

payments. The proposed amendments to the salary scales are contained in Appendix A.

## B. Review of definition for “H” category duty stations

6. At its eighty-ninth session, in 2019, the Commission agreed to add an item to its agenda, at the request of the United Nations International Civil Servants Federation, concerning the impact of the linkage between H category duty stations and the expansion of the European Union. Recalling that the Commission’s most recent decision on the issue had been, as mentioned above, to reaffirm that H category duty stations were not subject to hardship classification, the Federation requested the Commission to conduct an urgent review of the common system duty stations in the European Union to identify any undue hardship, and to clearly define a methodology to overcome such issues. The Federation believed that a review of duty stations should be carried out where a classification of H had had a negative effect on allowances by not recognizing the hardship faced by staff.<sup>2</sup> The Commission decided to study further the issues relating to all H category duty stations, taking into account its previous work on the subject.<sup>3</sup>
7. Under the current mobility and hardship scheme, duty stations are classified into six categories by level of difficulty: H and A to E. The H category duty stations are headquarters and similarly designated locations where the United Nations has no development or humanitarian assistance programmes, or locations in countries that are members of the European Union. For those locations designated as an H or A duty station, no hardship allowance is paid. The mobility incentive is not payable to staff at H category duty stations since its introduction on 1 July 2016, in accordance with General Assembly resolution 70/244, in lieu of the previous mobility allowance.
8. When the mobility and hardship scheme was introduced in 1990, it was decided that a certain category of duty stations would remain outside the hardship scheme. Those were defined as locations where the United Nations had neither development nor humanitarian programmes and included all locations where the United Nations system maintained a headquarters. Those locations were known as H duty stations and, also included all duty stations in Australia, Canada, Japan, New Zealand, the United States of America and Western Europe.
9. In 2004, the Commission decided to expand the H category to cover all duty stations in countries that were members of the European Union. It decided that the change from A to H in the hardship classification of the 10 countries joining the European Union on 1 May 2004 (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia) should be applied with effect from 1 January 2005.<sup>4</sup> With that decision, duty stations in other European countries that had previously been classified as field duty stations became H category duty stations. The change in classification from field duty station to H category under the mobility and hardship scheme resulted in reductions in entitlements for staff serving in those duty stations. At present, the only difference in the mobility and hardship entitlements between H and A duty stations is that the mobility incentive is not payable at H duty stations, while it is payable in A to E duty stations.
10. In 2007, upon the enlargement of the European Union to include Bulgaria and Romania, the Commission recalled its above decisions in 2004. In that context the Commission observed that the same treatment should be given to staff in these two

<sup>2</sup> ICSC/89/R.15, paras. 102–107.

<sup>3</sup> Ibid., para. 111., para. 111.

<sup>4</sup> See Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 30, vol. I (A/59/30 (vol. I)), para. 78.

countries acceding to the European Union. The Commission decided that the change from A to H in the classification of those duty stations in Bulgaria and Romania under the mobility and hardship scheme should be applied with effect from 1 January 2008.<sup>5</sup>

- 11.** During the deliberations by the Commission on the implications of the enlargement of the European Union on the operation of the mobility and hardship scheme, staff and management expressed concerns regarding the change in categorization, considering the differences in standards of living between some of the new H locations and the established ones. Although staff serving in H and A category duty stations were both ineligible for hardship allowance, the maintenance and expansion of the H category had implications for the mobility allowance at that time.
- 12.** It should be noted that, in reaching its decision to treat countries belonging to the European Union as group H duty stations, thereby excluding them from any assessment under the hardship scheme, the Commission considered that countries seeking membership to the European Union had to fulfil certain criteria, a fact that should be respected and recognized.<sup>6</sup> In view of the high standards set by the European Union, the Commission, at its seventy-second session, in 2011, defined H category duty stations as headquarters and similarly designated locations where the United Nations has no development or humanitarian assistance programmes for that country, or locations in countries that are members of the European Union.<sup>7</sup>
- 13.** In 2013, the Commission was once again requested to decide upon the hardship classification procedures that would be applied to Croatia once that country joined the European Union. The Commission recalled its earlier decisions following the accession of new member countries to the European Union in 2004 and 2007 and suggested that the same approach be followed for Croatia when it acceded to the European Union on 1 July 2013. It decided that the classification of duty stations in Croatia should be changed from A to H under the mobility and hardship scheme, with effect from 1 January 2014.<sup>8</sup>
- 14.** In 2019, during its deliberations on the review of the impact of the linkage between H category duty stations and the European Union, the Commission recalled the discussion that had been held earlier when new member countries of the European Union were excluded from the hardship scheme and placed in the H category. The Commission recalled that, before reaching its decision to treat locations in countries belonging to the European Union as group H duty stations, it had taken into consideration the fact that accession to the European Union was a long process and countries that sought membership were required to fulfil certain criteria. This fact, the Commission stated, should be respected and recognized.<sup>9</sup>
- 15.** The International Labour Organization was of the view that sudden and unexpected changes in the local socioeconomic situation should be taken into account to assess any H categorization, beyond considering whether local development or humanitarian assistance programmes were in place. Furthermore, it suggested that a more comprehensive information package should be developed so that organizations could explain to staff members the hardship classification system, as the implications regarding benefits and entitlements were not always well understood.
- 16.** The majority of the reporting organizations agreed with the Commission's definition of H category duty stations as "headquarters and similarly designated locations where the

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<sup>5</sup> See ICSC/64/R.11, para. 49 (e).

<sup>6</sup> See Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 30, vol. I (A/59/30 (vol. I)), para. 73.

<sup>7</sup> See A/66/30, paras. 28 and 38 (d).

<sup>8</sup> See A/68/30, para. 129 (e).

<sup>9</sup> See ICSC/85/R.15, para. 109.

United Nations has no developmental or humanitarian assistance programmes for that country, or locations in countries that are members of the European Union". Some organizations considered that it was advisable to review the conditions of work and life in H category duty stations.

## II. Amendment to the Staff Regulations

- 17.** Article 7.3 of the Staff Regulations currently provides for the Reports Committee to be composed of three members, who occupy the positions of Chief of Branch. In cases where the Committee is called upon to make a recommendation concerning an official whose responsible chief is one of its members, that member shall not participate in the deliberations.
- 18.** The Centre is seeking Board approval to amend Article 7.3 of the Staff Regulations to add the nomination of substitute members to the Reports Committee. This is required to ensure a pool of available members to facilitate the timely organization of meetings and to ensure a review by a sufficient number of members. The matter has already been submitted to the JNC for consultation.
- 19.** The amended Article 7.3 – Reports Committee would be as follows:  
 “The Director shall establish a Reports Committee which shall have such functions as are assigned to it by these Regulations. The Committee shall be composed of three members or their substitutes, who occupy the positions of Chief of Branch. When it is called upon to make a recommendation concerning an official whose responsible chief is one of its members, that member shall not participate in its deliberations. The Reports Committee shall establish its own procedure and its proceedings shall be regarded as secret.”
- 20. The Board is requested to:**
- a) **accept the recommendation of the ICSC subject to their approval by the United Nations General Assembly, all with effect as from 1 January 2022, concerning:**
    - (i) **an increase of 0.92 per cent in the base/floor salary scales for the Professional and higher category of staff on a no-loss-no-gain basis;**
    - (i) **the consequential increases in separation payments.**
  - b) **to approve the proposed amendment to Article 7.3 – Reports Committee of the Staff Regulations.**

**Point for decision:** Paragraph 20.

## Annex A.

**Proposed salary scale for the Professional and higher categories showing annual gross salaries and net equivalents after application of staff assessment (effective 1 January 2022)\***

**A. Proposed salary scale and pay protection points (effective 1 January 2022)**

(United States dollars)

Level	Steps													
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	
USG	Gross	207 368												
	Net	152 363												
ASG	Gross	188 253												
	Net	139 747												
D-2	Gross	150 252	153 708	157 164	160 623	164 082	167 539	170 994	174 455	177 911	181 367			
	Net	114 666	116 947	119 228	121 511	123 794	126 076	128 356	130 640	132 921	135 202			
D-1	Gross	134 514	137 376	140 243	143 107	145 961	148 827	151 792	154 824	157 864	160 897	163 933	166 965	170 003
	Net	103 660	105 663	107 670	109 675	111 673	113 679	115 683	117 684	119 690	121 692	123 696	125 697	127 702
P-5	Gross	115 949	118 384	120 821	123 253	125 690	128 123	130 561	132 994	135 430	137 863	140 300	142 730	145 170
	Net	90 664	92 369	94 075	95 777	97 483	99 186	100 893	102 596	104 301	106 004	107 710	109 411	111 119
P-4	Gross	94 871	97 036	99 200	101 481	103 830	106 180	108 533	110 883	113 231	115 579	117 933	120 277	122 627
	Net	75 602	77 247	78 892	80 537	82 181	83 826	85 473	87 118	88 762	90 405	92 053	93 694	95 339
P-3	Gross	77 884	79 887	81 891	83 892	85 897	87 899	89 901	91 908	93 909	95 911	97 918	99 921	102 090
	Net	62 692	64 214	65 737	67 258	68 782	70 303	71 825	73 350	74 871	76 392	77 918	79 440	80 963
P-2	Gross	60 203	61 993	63 784	65 575	67 370	69 163	70 958	72 743	74 537	76 328	78 120	79 914	81 704
	Net	49 254	50 615	51 976	53 337	54 701	56 064	57 428	58 785	60 148	61 509	62 871	64 235	65 595
P-1	Gross	46 413	47 806	49 198	50 646	52 164	53 688	55 207	56 729	58 249	59 771	61 291	62 811	64 332
	Net	38 523	39 679	40 834	41 991	43 145	44 303	45 457	46 614	47 769	48 926	50 081	51 236	52 392

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.

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

**Proposed pay protection points for staff whose salaries are higher than the maximum salaries on the unified salary scale (effective 1 January 2022)**

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

(United States dollars)

<i>Level</i>		<i>Pay protection point 1</i>	<i>Pay protection point 2</i>
P-4	Gross	124 981	127 331
	Net	96 987	98 632
P-3	Gross	104 263	106 437
	Net	82 484	84 006
P-2	Gross	83 495	–
	Net	66 956	–
P-1	Gross	65 851	–
	Net	53 547	–