



# General Assembly

Distr.: General  
12 October 2004

Original: English

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## **Fifty-ninth session**

Agenda items 108 and 116

### **Programme budget for the biennium 2004-2005**

#### **United Nations common system**

## **Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for 2004**

### **Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly\***

#### *Summary*

Pursuant to rule 153 of the rules of procedure of the General Assembly, the present statement is submitted detailing the administrative and financial implications of the decisions and recommendations of the International Civil Service Commission on the common system, in particular their implications on the programme budget of the United Nations for the biennium 2004-2005. Recommendations and decisions of the Commission giving rise to requirements under the regular budget for the current biennium will be taken into consideration when computing the first performance report for the biennium 2004-2005.

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\* The present statement of implications could only be produced subsequent to the receipt of the subject report of the International Civil Service Commission.

## **I. Introduction**

1. The thirtieth annual report of the International Civil Service Commission (ICSC)<sup>1</sup> contains a number of decisions and recommendations with financial implications for the programme budget for the biennium 2004-2005 related to the following issues (the paragraph numbers refer to the ICSC report):

- (a) Conditions of service of staff in the Professional and higher categories: base/floor salary scale and staff assessment scale (paras. 220-235);
- (b) Conditions of service applicable to both categories of staff:
  - (i) Hazard pay for locally recruited staff (paras. 138-147);
  - (ii) Education grant (paras. 148-167).

## **II. Conditions of service of staff in the Professional and higher categories: base/floor salary scale**

2. The General Assembly, in section I.H of its resolution 44/198 of 21 December 1989, established a floor net salary scale for staff in the Professional and higher categories by reference to the corresponding net salary levels of officials in comparable positions serving in the base city of the comparator civil service (the federal civil service of the United States of America). The base/floor salary scale was part of an integrated package of measures in which negative classes of post adjustment were eliminated.

3. The General Schedule salary scale for the United States federal civil service in Washington, D.C., the current comparator, increased by 2.7 per cent on a gross basis, as from 1 January 2004. It should be recalled that, in 2004, the United Nations base/floor salary scale has been maintained at its 2003 level since it was slightly higher than the 2003 General Schedule of the comparator federal civil service. However, the 2004 General Schedule increase, combined with the effect of tax changes, resulted in GS-13/GS-14 salary levels that were 1.88 per cent higher than the current base/floor salary scale. In accordance with the approved procedures and past practices, this would call for an upward adjustment of the common system salary scale by 1.88 per cent. The Commission, in its 2004 annual report,<sup>1</sup> decided to recommend to the General Assembly an upward adjustment of the current base/floor salary scale for staff in the Professional and higher categories by 1.88 per cent, with effect from 1 January 2005. The increase of 1.88 per cent for the year 2005 in the base/floor salary scale would be implemented through the standard method of consolidating post adjustment multiplier points on a no-loss/no-gain basis.

4. The financial implications resulting from the above-mentioned adjustment of the base/floor salary scale for the United Nations and other participating organizations of the common system have been calculated by ICSC in the amount of \$2,008,900, broken down as follows:

- (a) For duty stations with low post adjustment that would otherwise fall below the level of the new base/floor: \$264,700;

- (b) In respect of mobility/hardship allowance: \$1,426,000;
- (c) In respect of the scale of separation payments: \$318,200.

5. The financial implications of the above recommendation for the United Nations programme budget in the year 2005 have been estimated at \$354,600, including: (i) an increase in the level of mobility and hardship allowance (\$172,500); and (ii) an increase in the level of separation payments (\$182,100). No financial implications for the programme budget are anticipated with respect to the adjustments referred to in paragraph 4 (a) above.

6. In the context of the review of the revised base/floor scale adjustment, the Commission noted that the issue of the adjustment of the staff assessment rates to address imbalances in the Tax Equalization Fund had been discussed with the United Nations Secretariat and that no adjustment had been requested at that time. Accordingly, no change in the rates of staff assessment would be required in 2005.

### **III. Conditions of service applicable to both categories of staff**

#### **A. Hazard pay for locally-recruited staff**

7. Following careful consideration of General Assembly resolution 58/251 of 23 December 2003, the Commission expressed its agreement with the Assembly's proposal for a smaller increase in the level of hazard pay for locally recruited staff. The Commission decided that the level of hazard pay granted to locally recruited staff should be increased from 20 per cent to 25 per cent of the midpoint of the local salary scale and that the decision was to be implemented with effect from 1 June 2004.

8. The total annual financial implications of that decision for the United Nations and other participating organizations of the common system have been estimated at \$1,800,000.

9. The annual financial implications for the United Nations programme budget have been estimated at \$599,000. Based on a retroactive payment of the entitlement from 1 June 2004, the total financial implications for the United Nations programme budget in the biennium 2004-2005 are estimated at \$948,100.

#### **B. Education grant**

10. Based on the methodology approved by the General Assembly in its resolution 52/216, section III.A, the Commission decided to recommend to the Assembly that:

(a) The level of maximum admissible expenses and the maximum grant for Austria (euro), Belgium (euro), Denmark (euro), France (euro), Germany (euro), Ireland (euro), Italy (euro), Japan (yen), the Netherlands (euro), Spain (euro), Sweden (euro), Switzerland (Swiss franc), the United Kingdom of Great Britain and Northern Ireland (pound sterling), the United States of America (United States dollar) and the United States dollar outside the United States of America, should be set as shown in annex IV, table 1, of its annual report;<sup>1</sup>

(b) The maximum amount of admissible expenses and the maximum grant for Finland and Norway should remain at the current levels;

(c) The flat rates for boarding to be taken into account within the maximum admissible educational expenses and the additional amounts for reimbursement of boarding costs over and above the maximum grant payable to staff members at designated duty stations should be revised as shown in annex IV, table 2, of its annual report;<sup>1</sup>

(d) The amount of the special education grant for each disabled child should be equal to 100 per cent of the revised amounts of the maximum allowable expenses for the regular grant;

(e) Special measures should be maintained for China, Indonesia, Romania and the Russian Federation, which would allow organizations to reimburse 75 per cent of actual expenses up to and not exceeding the level of maximum admissible expenses in force for the United States dollar area in the United States of America;

(f) All the above measures should be applicable as from the school year in progress on 1 January 2005.

11. The annual financial implications of the Commission's recommendation for organizations of the United Nations common system have been estimated at \$2,200,000.

12. The annual financial implications of the recommendation for the United Nations programme budget for the biennium 2004-2005 have been estimated at \$965,000.

#### IV. Conclusions and recommendations

13. The financial implications for the United Nations programme budget for the biennium 2004-2005 resulting from decisions and recommendations of ICSC are summarized below as follows:

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*(In United States dollars)*

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<b>Remuneration of staff in the Professional and higher categories<sup>a</sup></b>	
Mobility/hardship allowances	172 500
Separation payments	182 100
<b>Conditions of service applicable to both categories of eligible staff<sup>b</sup></b>	
Hazard pay (local staff)	
June 2004-December 2005 (19 months)	948 100
Education grant	965 000
<b>Total</b>	<b>2 267 700</b>

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<sup>a</sup> See para. 5 above.

<sup>b</sup> See paras. 9 and 12 above.

14. Accordingly, the related requirements under the programme budget for the biennium 2004-2005 resulting from the recommendations and decisions of ICSC have been estimated to be in the order of \$2,267,700, net of staff assessment. Those requirements will be taken into consideration when computing the first performance report for the biennium 2004-2005 in accordance with existing practice.

*Notes*

<sup>1</sup> *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 30 (A/59/30).*

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