



# General Assembly

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Agenda items 138, 143, 145 and 151

### Proposed programme budget for 2023

#### Human resources management

#### United Nations common system

#### Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

## **Administrative and programme budget implications arising from the recommendations and decisions contained in the report of the International Civil Service Commission for 2022**

### **Twelfth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for 2023**

## **I. Introduction**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General ([A/C.5/77/4](#)) in accordance with rule 153 of the rules of procedure of the General Assembly on the programme budget implications arising from the recommendations contained in the report of the International Civil Service Commission (ICSC) for the year 2022 ([A/77/30](#)). During its consideration of the statement, the Committee received additional information and clarification, concluding with written responses dated 13 October 2022.

2. In the statement, the Secretary-General indicates that the annual report of ICSC for 2022 contains recommendations that call for decisions by the General Assembly related to a review of the framework for contractual arrangements; the base/floor salary scale, and children's and secondary dependants' allowances. The report also presents two decisions made by ICSC related to the hardship allowance and the mobility incentive. ICSC decided to replace the current maternity, paternity and adoption leave provisions with a parental leave provision of 16 weeks for all parents and to provide an additional period of 10 weeks to birth mothers. These matters will give rise to budgetary implications for the proposed programme budget of the United



Nations starting with the year 2023 and for the budgets of peacekeeping operations starting with the financial period 2022/23 ([A/C.5/77/4](#), paras. 1 and 3).

3. The Secretary-General indicates that, should the General Assembly approve the recommendations of ICSC, the budgetary implications for the proposed programme budget for the year 2023, along with the budgetary implications of the decisions of the Commission, are estimated at \$4,071,800 and would be included in the context of the revised estimates arising from the effect of changes in rates of exchange and inflation for the period. The budgetary implications for peacekeeping operations are estimated at \$1,744,200 for the financial period 2022/23 and at \$3,488,400 for the financial period 2023/24, and would be taken into account, as necessary, in the context of the performance reports for the period 1 July 2022 to 30 June 2023 and the upcoming proposed budgets for the financial period from 1 July 2023 to 30 June 2024 (*ibid.*, summary).

## **II. Review of the framework for contractual arrangements**

4. ICSC recommended to the General Assembly that the provisions for annual leave for temporary appointments across the common system organizations be harmonized at 2.5 days of leave per month. In the statement of the Secretary-General, the financial implications are estimated by ICSC at \$4.1 million per annum, system-wide. Budgetary implications in the proposed programme budget for the year 2023 are estimated at \$936,000 for payment of unused accrued leave days. Budgetary implications for peacekeeping operations are estimated at \$387,000 for the financial period from 1 July 2022 to 30 June 2023 and \$774,000 for the financial period from 1 July 2023 to 30 June 2024 (*ibid.*, paras. 4–5).

## **III. Base/floor salary scale**

5. ICSC recommended an increase of 2.28 per cent in the base/floor salary scale, to be implemented as from 1 January 2023 to reflect the combined effect of the movement of gross salaries under the General Schedule scale of the comparator civil service and the tax changes in the United States of America. The proposed increase in the base/floor salary would be implemented by increasing the base/floor salary scale and commensurately decreasing post adjustment multiplier points, resulting in no-loss/no-gain in net take-home pay. The adjustment to the base salary scale, while generally cost-neutral in terms of net remuneration, would have implications in respect of separation payments (*ibid.*, paras. 6–7). ICSC, in its report for 2022, indicated that, currently, one duty station's existing level of post adjustment (a multiplier of 0.8) was too low to absorb the 2.28 per cent increase in base salary in 2023. Accordingly, the financial implications in respect of the net remuneration for that duty station were reported under the 2023 base/floor salary adjustment proposal ([A/77/30](#), paras. 140–144).

6. The Secretary-General indicates that the budgetary implications associated with the recommendation by ICSC of an increase in the base/floor salary scale are estimated by the Commission at \$1.2 million per annum, system-wide. Consequently, the budgetary implications are estimated at \$199,900 for the proposed programme budget for the year 2023. The budgetary implications for peacekeeping operations are estimated at \$48,400 for the financial period from 1 July 2022 to 30 June 2023 and \$96,800 for the financial period from 1 July 2023 to 30 June 2024 ([A/C.5/77/4](#), para. 7).

## IV. Children's and secondary dependants' allowances

7. ICSC recommended that, as from 1 January 2023, the child allowance be set at \$3,322 per annum (compared with \$3,222 currently), the disabled child allowance be set at \$6,645 per annum (compared with \$6,444 currently) and the secondary dependant's allowance be set at \$1,163 per annum (compared with \$1,128 currently). The Secretary-General indicates that the budgetary implications associated with the revised amounts for the children's and secondary dependant's allowances are estimated at \$15 million per annum, system-wide. The budgetary implications are estimated at \$2,144,000 for the proposed programme budget for the year 2023. The budgetary implications for the peacekeeping operations are estimated at \$519,300 for the financial period from 1 July 2022 to 30 June 2023 and \$1,038,500 for the financial period from 1 July 2023 to 30 June 2024 (*ibid.*, paras. 8–9).

## V. Hardship allowance

8. ICSC decided to grant a 3.1 per cent increase to the hardship allowance, effective 1 January 2023. The budgetary implications resulting from the decision by ICSC to increase the hardship allowance are estimated at \$5 million per annum, system-wide. The budgetary implications are estimated at \$634,600 for the proposed programme budget for the year 2023. The budgetary implications for peacekeeping operations are estimated at \$632,700 for the financial period from 1 July 2022 to 30 June 2023 and \$1,265,400 for the financial period from 1 July 2023 to 30 June 2024 (*ibid.*, para. 10).

## VI. Mobility incentive

9. ICSC decided to revise the amounts of the mobility incentive, effective 1 January 2023 in accordance with the adjustment methodology approved by ICSC, which uses the weighted average monthly net base salary of staff in the Professional and higher categories in the year of the review, and on the basis of the applicable net base salaries effective 1 January 2022. The revised amounts of the mobility incentive are reflected in table 4 of the ICSC report, effective 1 January 2023. The budgetary implications of the adjustments to the mobility incentive are estimated by ICSC at \$2.5 million per annum, system-wide. The budgetary implications for the proposed programme budget for the year 2023 are estimated at \$157,300. The budgetary implications for peacekeeping operations are estimated at \$156,800 for the financial period from 1 July 2022 to 30 June 2023 and \$313,700 for the financial period from 1 July 2023 to 30 June 2024 (*ibid.*, paras. 11–12).

## VII. Other matters

### *Parental leave*

10. ICSC decided to replace the current maternity, paternity and adoption leave provisions with a parental leave provision of 16 weeks for all parents and to provide an additional period of 10 weeks to birth mothers. The estimated financial implications for the temporary replacement of staff on parental leave were \$5.9 million per annum system-wide. The Secretary-General states that, while financial implications with regard to the Secretariat's proposed programme budget for the year 2023 are not known at this stage, any such implications will be reported in the financial performance report for 2023 (*ibid.*, para. 3). Upon enquiry, the Advisory Committee was informed that neither budget proposals nor related

expenditure distinguished between general temporary assistance being used for parental leave, extended sick leave, other prolonged leave or surge requirements, and only budget proposals and expenditure related to general temporary assistance positions that were of a continuing nature with specific purpose/functions and approved by the General Assembly could be distinguished from other general temporary assistance for short-term replacements. Upon enquiry, the Committee was informed that the estimated budgetary implications of the proposed enhanced parental leave provisions presented in the report of ICSC for 2022 were based on the replacement cost data provided by the organizations of the United Nations common system for 2019, in response to the Commission secretariat's questionnaire survey on parental leave. The Committee was also informed that the actual cost of the replacement of staff on parental leave experienced by the Secretariat could not be extracted from the financial systems and that the extent to which the provisions for temporary replacement of staff on parental leave included in the proposed programme budget for 2023 would need to be increased, could not be ascertained. The Committee recalls the issues related to human resources management that were raised by the Board of Auditors, in particular the deficiencies in the use and management of general temporary assistance (A/77/5 (Vol. I), paras. 263–273). **The Advisory Committee believes that data on general temporary assistance replacement and finite positions should be available in Umoja to, among others, facilitate the estimation of financial implications. The Committee trusts that more detailed information on the estimated financial implications for the temporary replacement of staff on parental leave will be provided to the General Assembly at the time of its consideration of the statement of the Secretary-General.**

## VIII. Conclusions and recommendations

11. **The Advisory Committee recommends that the General Assembly take note of paragraph 14 of the statement by the Secretary-General and notes that, should it approve the recommendations of ICSC:**

- (a) **Additional requirements estimated at \$4,071,800 for the programme budget for 2023 would be included in the context of the revised estimates arising from the effect of changes in rates of exchange and inflation for the period;**
- (b) **Additional requirements for the budgets of peacekeeping operations would be addressed, as necessary, for an amount of \$1,744,200 in the context of the performance reports for the period from 1 July 2022 to 30 June 2023 and \$3,488,400 in the context of the upcoming proposed budgets for the financial period from 1 July 2023 to 30 June 2024.**