



# General Assembly

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## Seventy-fourth session

### Fifth Committee

Items 137, 142, 144 and 150 of the provisional agenda\*

#### Proposed programme budget for 2020

#### Human resources management

#### United Nations common system

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

## Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2019

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

#### *Summary*

The present statement, submitted pursuant to rule 153 of the rules of procedure of the General Assembly, contains a description of the administrative and financial implications arising from the recommendations of the International Civil Service Commission for the common system that call for decisions by the Assembly, in particular for the programme budget of the United Nations for the biennium 2018–2019 and the proposed programme budget for the year 2020. In the interest of providing comprehensive information, the statement also includes the implications for the budgets of peacekeeping operations for the 2019/20 and 2020/21 peacekeeping financial periods.

Should the General Assembly approve the recommendations of the Commission, there would be no financial implications for the programme budget of the United Nations for the biennium 2018–2019. The financial implications for the proposed programme budget for the year 2020 are estimated at \$2,188,700 and would be taken into account in the context of the revised estimates: effect of changes in rates of exchange and inflation for the period. The resource requirements for peacekeeping operations are estimated at \$1,332,600 for the financial period 2019/20, and the requirements for the financial period 2020/21 are estimated at \$2,665,200 and would

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\* A/74/150.



be taken into account, as necessary, in the context of the performance reports for the period 1 July 2019 to 30 June 2020 and in the context of the upcoming proposed budgets for the financial period from 1 July 2020 to 30 June 2021.

## I. Introduction

1. The annual report of the International Civil Service Commission for 2019 (A/74/30) contains decisions and recommendations giving rise to financial implications for the proposed programme budget of the United Nations Secretariat for the year 2020, and for the budgets of peacekeeping operations starting with the financial period 2019/20, related to the following issues:

- (a) Base/floor salary scale;
- (b) Education grant;
- (c) Hardship allowance;
- (d) Mobility incentive.

## II. Base/floor salary scale

2. The Commission recommended that an increase in the base/floor salary of 1.21 per cent as at 1 January 2020 be implemented through the standard no loss-no-gain procedure, that is, by increasing the base/floor salary scale and commensurately decreasing post adjustment multipliers. The Commission recalled that the base scale adjustment procedure, while generally cost-neutral in terms of net remuneration, would have implications in respect of separation payments.

3. The financial implications associated with the Commission's recommendation on an increase of the base/floor salary scale are estimated by the Commission at \$540,000 per annum, system-wide. Consequently, the financial implications are estimated at \$92,700 for the proposed programme budget of the Secretariat for the year 2020. The financial implications for peacekeeping operations are estimated at \$33,600 for the financial period from 1 July 2019 to 30 June 2020 and \$67,100 for the financial period from 1 July 2020 to 30 June 2021.

## III. Education grant: review of scale and level of boarding lump sum

4. As part of the comprehensive review of the common system compensation package for staff in the Professional and higher categories, the General Assembly, in its resolution 70/244, approved a revised education grant scheme that was introduced as from the school year in progress on 1 January 2018. The revised scheme included a global United States dollar-based sliding scale to partly reimburse tuition- and enrolment-related expenses and a uniform lump sum to cover boarding expenses.

5. In its resolution 71/264, the General Assembly took note of the Commission's decision that the sliding reimbursement scale and the boarding lump sum would be adjusted on a two-year cycle, starting from 2019. Accordingly, the Commission reviewed the sliding scale and the lump sum, based on the approved methodology for tracking tuition and boarding fee movements at selected schools in United States dollar terms.

6. Following discussion in the Commission, the Commission decided to recommend to the General Assembly that, from the academic year in progress on 1 January 2020, the sliding reimbursement scale be revised as set out in paragraph 85 (a) of its report, and that the boarding lump sum be increased from \$5,000 to \$5,300.

7. The financial implications associated with the revised sliding scale and boarding lump sum are estimated by the Commission at \$7.85 million per annum, system-wide.

In this regard, the financial implications are estimated at \$1,896,600 for the proposed programme budget of the Secretariat for the year 2020. The financial implications for peacekeeping operations are estimated at \$686,700 for the financial period from 1 July 2019 to 30 June 2020 and \$1,373,400 for the financial period from 1 July 2020 to 30 June 2021.

#### **IV. Hardship allowance**

8. The Commission reviewed an analysis of the application of three adjustment factors, in accordance with its decisions in 2016 (see [A/71/30](#)) in the context of the comprehensive review of the United Nations common system compensation package. The current amounts of the hardship allowance came into effect on 1 July 2016. The three adjustment factors reviewed were as follows:

- (a) Average movement of the 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 used for post adjustment based on inflation factors in 26 countries;
- (c) Movement of the base/floor salary scale.

9. Following discussion in the Commission, the Commission decided to grant a 2 per cent increase in the hardship allowance with effect from 1 January 2020.

10. The financial implications resulting from the Commission's decision to increase the hardship allowance are estimated by the Commission at \$2.8 million per annum, system-wide. In this regard, the financial implications are estimated at \$147,000 for the proposed programme budget of the Secretariat for the year 2020. The financial implications for peacekeeping operations are estimated at \$451,500 for the financial period from 1 July 2019 to 30 June 2020 and \$903,000 for the financial period from 1 July 2020 to 30 June 2021.

#### **V. Mobility incentive**

11. In accordance with the current review cycle, the level of the mobility incentive was to be reviewed every three years. In 2015, the Commission had decided to recommend a mobility incentive, in lieu of the mobility allowance in place at the time, to encourage mobility of staff to field duty stations. The incentive, as approved by the General Assembly in its resolution [70/244](#), was established as from 1 July 2016.

12. The initial annual amount for the P-1 to P-3 grade band (100 per cent of the weighted average monthly base salary) was established as the lower limit (\$6,500). The amount for the P-4 and P-5 grade band was set at 125 per cent of the lower limit (\$8,125), and the amount for staff at the D-1 and higher levels was set at 150 per cent of the limit (\$9,750). 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 (i.e. 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 and number of assignments. The incentive is discontinued after staff have spent five consecutive years at the same duty station.

13. Following review by and discussion in the Commission, the Commission decided to set the lower limit of the mobility incentive to \$6,700 per year and apply

the resulting matrix as outlined in the table in paragraph 142 of its report, with effect from 1 January 2020.

14. The financial implications resulting from the Commission's decision are estimated by the Commission at \$2.1 million per annum, system-wide. The financial implications are estimated at \$52,400 for the proposed programme budget of the Secretariat for the year 2020. The financial implications for peacekeeping operations are estimated at \$160,850 for the financial period from 1 July 2019 to 30 June 2020 and at \$321,700 for the financial period from 1 July 2020 to 30 June 2021.

## **VI. Conclusions and recommendations**

**15. The financial implications arising from the decisions and recommendations of the International Civil Service Commission are summarized as follows:**

**(a) The financial implications for the proposed programme budget of the United Nations are estimated at \$2,188,700 for the year 2020;**

**(b) The financial implications for the budgets of peacekeeping operations for the financial period 2019/20 are estimated at \$1,332,600, and the requirements for the financial period 2020/21 are estimated at \$2,665,200.**

**16. Should the General Assembly approve the recommendations of the Commission:**

**(a) Requirements for the year 2020 would be taken into account in the context of the revised estimates: effect of changes in rates of exchange and inflation for the period;**

**(b) Requirements for the budgets for peacekeeping operations would be addressed, as necessary, in the context of the performance reports for the period from 1 July 2019 to 30 June 2020 and in the context of the upcoming proposed budgets for the financial period from 1 July 2020 to 30 June 2021.**