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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 2013*

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

* An advance version of the report of the International Civil Service Commission for 2013 (A/68/30) was used in the preparation of the present statement.



Summary

The present statement, submitted pursuant to rule 153 of the rules of procedure of the General Assembly, describes the administrative and financial implications arising from the decisions and recommendations of the International Civil Service Commission for the common system, in particular for the programme budget of the United Nations for the biennium 2012-2013 and the proposed programme budget of the United Nations and proposed budgets of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2014-2015. In the interest of providing comprehensive information, the statement also describes the implications for the budgets of peacekeeping operations, commencing with those for the 2013/14 and 2014/15 peacekeeping financial periods.

Should the General Assembly approve the recommendations of the Commission, the resource requirements arising from those recommendations under the programme budget of the United Nations for the biennium 2012-2013 and the proposed programme budget of the United Nations and proposed budgets of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2014-2015 will be reported in the context of the performance reports for that biennium. The resource requirements for peacekeeping operations for the peacekeeping financial periods 2013/14 and 2014/15 will be taken into account, partly in the context of the performance reports for the period from 1 July 2013 to 30 June 2014 and partly in the context of the proposed budgets for the financial period from 1 July 2014 to 30 June 2015.

Resource requirements for subsequent periods will be included in the proposed programme budgets and the budgets of peacekeeping operations.

In paragraph 4 of its resolution [67/257](#), the General Assembly requested the Commission to report to the General Assembly during the main part of its sixty-eighth and sixty-ninth sessions, in the context of its annual report, on the progress, preliminary findings and administrative aspects of the comprehensive review of the compensation package for staff in the Professional and higher categories. The Commission informs the Assembly that, for the forthcoming biennium 2014-2015, it considers that in order to deliver the necessary depth of analysis requested by the Assembly, it would need additional resources in the estimated amount of \$606,000. In that regard, it should be noted that, the United Nations share of the jointly financed budget of the Commission is estimated at 32.3 per cent. Consequently, additional requirements estimated at \$195,700 would arise for the proposed programme budget of the United Nations for the biennium 2014-2015.

I. Introduction

1. The annual report of the International Civil Service Commission for 2013 (A/68/30) contains decisions and recommendations giving rise to financial implications for the programme budget of the United Nations for the biennium 2012-2013, the proposed programme budget of the United Nations and proposed budgets of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia starting with the biennium 2014-2015, and the budgets of peacekeeping operations, starting with the peacekeeping financial period 2013/14, related to the following issues:

(a) Conditions of service of the Professional and higher categories: (i) base/floor salary scale; and (ii) education grant special measures for Belgium;¹

(b) Conditions of service of the General Service and other locally recruited categories:¹ (i) survey of best prevailing conditions of employment for General Service and related categories in Paris; and (ii) survey of best prevailing conditions of employment for General Service and related categories in Montreal.

II. Conditions of service of the Professional and higher categories

A. Base/floor salary scale

2. The General Assembly, in section I.H of its resolution 44/198, introduced the concept of the base/floor salary scale for staff in the Professional and higher categories, set 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) with effect from 1 July 1990.

3. The Commission was informed that the comparator civil service's pay freeze, originally introduced with effect from 1 January 2011 to 31 December 2012, had been extended to 31 December 2013. As a result, the gross levels of the General Schedule of the comparator had not changed from the levels in 2010. However, slight changes in the federal tax schedule had occurred as at 1 January 2013, reflecting a revised tax rate schedule and amounts for personal exemptions and deductions. Accordingly, despite the pay freeze, the aforementioned tax-related changes resulted in an increase of 0.19 per cent, in net terms, in the reference comparator pay level compared with the net base salaries of United Nations officials at the midpoint of the salary scale effective 1 January 2012. That increase included the previously recommended increase by the Commission of 0.12 per cent, as at 1 January 2013, on which the General Assembly did not take action (see Assembly resolution 67/257, sect. B). In accordance with the established methodology, an upward adjustment of 0.19 per cent in the common salary scale for staff in the Professional and higher categories is being recommended by the Commission with effect from 1 January 2014. The increase in the base/floor salary scale would be implemented by increasing base salaries by 0.19 per cent through a consolidation of the requisite number of post adjustment multiplier points into base salaries on a no-loss/no-gain basis.

¹ There are no financial implications for the budgets of peacekeeping operations, the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia.

4. The annual financial implications arising from such an adjustment in the base/floor salary scale for the United Nations and other participating organizations of the common system referred to in the report of the Commission amount to approximately \$95,000, broken down as follows:

(a) None for duty stations with low post adjustment where net salaries would otherwise fall below the level of the new base salaries;

(b) \$95,000 in respect of the scale of separation payments.

5. The Commission decided to recommend to the General Assembly for approval with effect from 1 January 2014 the revised base/floor salary scale for Professional and higher categories as shown in annex III to the report of the International Civil Service Commission for the year 2013, reflecting a 0.19 per cent adjustment implemented by increasing the base/floor salary scale and commensurately reducing post adjustment multiplier points, resulting in no change in net take-home pay.

6. The financial implications with respect to the adjustment to the base/floor salary scale for the proposed programme budget of the United Nations and proposed budgets of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2014-2015 have been estimated at \$28,900, \$5,300 and \$1,700 respectively.²

7. The financial implications with respect to the adjustment to the base/floor salary scale for peacekeeping operations have been estimated at \$11,000 for the financial period from 1 July 2013 to 30 June 2014 and at \$22,000 for the financial period from 1 July 2014 to 30 June 2015.

B. Education grant special measures for Belgium

8. The Chief Executives Board for Coordination Human Resources Network requested the Commission to consider introducing special measures for the levels of the education grant in Belgium and Morocco.

9. The Commission noted that Brussels offered a choice of schools in different languages and with different religious and pedagogical orientations. Most were affordable given the education grant level applicable to Belgium. The only three English-curriculum schools leading to the International Baccalaureate Diploma, however, were private and operated without subsidies, and thus charged fees at cost-recovery levels. Consequently, the fees were far above the existing maximum admissible expenses.

² The year-to-date expenditure as at the end of July 2013 under the programme budget against the budget lines related to repatriation/termination indemnities amounted to \$12,057,800, \$2,214,300 and \$690,400, respectively, by the United Nations, the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia. As repatriation/termination indemnities are paid to staff affected on the basis of their base/floor salary, a change to the base/floor salary scale would affect the expenditures incurred. Accordingly, the annual cost implications arising from this recommendation, which will be effective 1 January 2014, are estimated by annualizing the year-to-date expenditure and then multiplying the result by the proposed increase of 0.19 per cent in the base/floor salary scale to the expenditures incurred.

10. It could be expected that, without the special measures, English-speaking staff might choose to send their children to schools outside Belgium, such as to the United Kingdom of Great Britain and Northern Ireland or to France, where special measures were in effect with respect to eight English-curriculum schools. The decision to send the children to attend school abroad might not be desirable in the case of young children. Furthermore, it would lead to additional costs to the organizations as a result of added expenses to cover the costs of boarding and education grant travel. In addition, without adequate coverage of education-related costs provided in organizations' budgets, staff mobility to Brussels might be impeded. The Commission was therefore supportive of the Board's request to consider introducing special measures for Belgium.

11. With respect to Morocco, the Commission noted that the percentage of claims above the maximum admissible expenses did not justify a review of the education grant level at that location. Besides, those claims showed that the excess of expenses over the maximum admissible expenses was primarily due to the one-time capital assessment fees that the staff member had to pay. It was noted in that regard that the reimbursement of capital assessment fees was covered by a separate procedure established by the Commission in 1997; thus, the case presented did not call for the introduction of special measures for Morocco.

12. The Commission recommended to the General Assembly that a special education grant measure allowing reimbursement of the education-related expenses up to the maximum established for the United States dollar inside the United States zone be introduced for three English-curriculum schools in Brussels, namely, the International School of Brussels, the British School of Brussels and St. John's International School, as from the academic year in progress on 1 January 2013.

13. With regard to Morocco, the Commission decided that no special measure was required since there was already a procedure in place for the reimbursement of capital assessment fees which had been approved by the Commission in 1997.

14. The financial implications for the United Nations common system of introducing the special measures for Belgium were estimated at \$71,000 per annum.

15. The financial implications with respect to the education grant special measures for Belgium have been estimated at \$7,000 under the programme budget of the United Nations for the biennium 2012-2013 and at \$14,000 under the proposed programme budget for the biennium 2014-2015.

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

A. Survey of the best prevailing conditions of employment in Paris

16. On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at Headquarters and similar duty stations (survey methodology I), a survey of best prevailing conditions of employment was conducted by the Commission in Paris with a reference date of September 2012. The new net salary scale and the levels of dependency allowances recommended by the Commission to the executive heads of the Paris-based organizations are reproduced in annex V to the report of the

Commission. The recommended salary scale is 2.19 per cent lower than the current Paris salary scale.

17. The notional annual savings as a result of implementing the salary scale are estimated at approximately \$0.55 million at the September 2012 exchange rate of €0.797 per United States dollar. However, as the recommended salary scale is expected to be implemented only with respect to staff recruited on or after the date of promulgation by the Paris-based organizations, there are no immediate savings associated with the Commission's recommendations on the revised salary scale. The financial implications for the United Nations common system of implementing the proposed dependency allowances are estimated at approximately \$70,000 per annum.

18. The financial implications of the recommendation with respect to the implementation of the proposed dependency allowances for the programme budget of the United Nations for the biennium 2012-2013 and for the proposed programme budget for the biennium 2014-2015 have been estimated at \$600 and \$1,700 respectively based on the Chief Executives Board for Coordination (CEB) personnel statistics as at 31 December 2012 for United Nations staff in Paris (see [CEB/2013/HLCM/HR/12](#)).

B. Survey of the best prevailing conditions of employment in Montreal

19. On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at Headquarters and similar duty stations (survey methodology I), a survey of best prevailing conditions of employment was conducted by the Commission in Montreal with a reference date of 1 April 2013. The revised net salary scale and the levels of dependency allowances recommended by the Commission to the executive heads of the Montreal-based organizations are reproduced in annex VI to the report of the Commission. The revised salary scale is 1.22 per cent higher than the existing salary scale in Montreal.

20. The total annual financial implications for the United Nations common system of implementing the recommended salary scale and the revised dependency allowances were estimated at approximately \$334,000.

21. The financial implications of the recommendation with respect to the implementation of the recommended salary scale and the revised dependency allowances for the programme budget of the United Nations for the biennium 2012-2013 and the proposed programme budget for the biennium 2014-2015 have been estimated at \$10,300 and \$27,400 respectively based on the CEB personnel statistics as at 31 December 2012 for United Nations staff in Montreal (see [CEB/2013/HLCM/HR/12](#)).

IV. Estimated financial implications relating to the comprehensive review of the compensation package for staff in the Professional and higher categories

22. It should be recalled that, in its resolution on the United Nations common system: report of the International Civil Service Commission ([67/257](#)), the General

Assembly requested the Commission to report on the progress, preliminary findings and administrative aspects of the comprehensive review of the compensation package for staff in the Professional and higher categories. No provision has been included under the proposed programme budget for the biennium 2014-2015 for the above activity and, despite efforts to redistribute available resources, it has become apparent that the Commission does not have the capacity to absorb the additional requirements arising from undertaking the comprehensive review. As such, an additional allocation of funds would be required for the biennium 2014-2015.

23. Pursuant to the General Assembly's request, it is estimated that additional gross requirements in the amount of \$606,000 would be required under section 31, jointly financed administrative activities, for the following activities: (a) an estimated amount of \$276,000 would provide for the dedicated services of a project manager at consultant level C for 20 months to manage the implementation of the overall project plan for the review of the compensation package, provide the necessary technical expertise in developing support systems, and coordinate activities relating to the design, administration and analysis of surveys and other relevant research in coordination with the Division Chiefs of the Commission secretariat; (b) an estimated amount of \$50,000 would provide for the purchase of salary data, including one custom-made total compensation study and three general compensation data comparisons, required to facilitate the comprehensive review; (c) an estimated amount of \$232,000 for travel of representatives relates to the attendance, at eight working group meetings (four in New York and four in Geneva), by the Chair, the Vice-Chair and three Commission members; and (d) an estimated amount of \$48,000 would provide for the travel of secretariat staff to attend four meetings of the working groups in Geneva.

24. It should be noted that the United Nations share in the costs of the jointly financed budget of the Commission is 32.3 per cent for the biennium 2014-2015. Accordingly, additional requirements estimated at \$195,700 would arise for the proposed programme budget of the United Nations for the biennium 2014-2015 under section 31, jointly financed administrative activities, as detailed in the table below.

Financial implications for the proposed programme budget of the United Nations

(United States dollars)

<i>Object of expenditure</i>	<i>Biennium 2014-2015 (jointly financed)</i>	<i>United Nations regular budget share (32.3 per cent)</i>
Consultants	326 000	105 300
Travel of representatives	232 000	74 900
Travel of staff	48 000	15 500
Total	606 000	195 700

V. Conclusions and recommendations

25. The financial implications arising from the decisions and recommendations of the International Civil Service Commission have been summarized as follows:

(a) **Additional net requirements for the programme budget of the United Nations for the biennium 2012-2013 and the proposed programme budget for the biennium 2014-2015 are estimated at \$17,900 and \$267,700, respectively, as detailed in table 1 below;**

Table 1
Summary of financial implications for the programme budget and proposed programme budget of the United Nations
(United States dollars)

	<i>Biennium 2012-2013</i>	<i>Biennium 2014-2015</i>
Education grant (special measure)	7 000	14 000
Base/floor salary scale	–	28 900
Survey of the best prevailing conditions of employment (Paris)	600	1 700
Survey of the best prevailing conditions of employment (Montreal)	10 300	27 400
Comprehensive review	–	195 700
Total	17 900	267 700

(b) **Additional net requirements for the proposed budgets of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2014-2015 are estimated at \$5,300 and \$1,700, respectively;**

(c) **Additional net requirements for the budgets of peacekeeping operations for the financial periods 2013/14 and 2014/15 are estimated at \$11,000 and \$22,000, respectively (see table 2 below).**

Table 2
Summary of financial implications for the budgets of peacekeeping operations
(United States dollars)

	<i>1 July 2013-30 June 2014</i>	<i>1 July 2014-30 June 2015</i>
Base/floor salary scale	11 000	22 000
Total	11 000	22 000

26. Should the General Assembly approve the recommendations of the Commission:

(a) **Requirements for the programme budget of the United Nations for the biennium 2012-2013 will be addressed in the context of the performance report for the biennium 2012-2013;**

(b) **Requirements for the proposed programme budget of the United Nations and proposed budgets of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2014-2015 will be addressed in the context of the performance reports for the biennium 2014-2015;**

(c) Requirements for the budgets for peacekeeping operations will be reported in the related performance reports for the financial period from 1 July 2013 to 30 June 2014 and will be taken into account in the context of the proposed budgets for the financial period from 1 July 2014 to 30 June 2015.

27. With regard to the continuation of the comprehensive review of the compensation package during the biennium 2014-2015, the General Assembly is requested to:

(a) Approve additional gross resource requirements in the amount of \$606,000 under section 31, jointly financed administrative activities;

(b) Approve an additional appropriation in the amount of \$195,700 in respect of the United Nations share in the proposed programme budget for the biennium 2014-2015. This would represent a charge against the contingency fund.
