

UNITED NATIONS



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INTERNATIONAL CIVIL SERVICE
FONCTION
COMMISSION

COMMISSION DE LA
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**ITEM 141: UNITED NATIONS COMMON SYSTEM
REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION**

**INTRODUCTORY STATEMENT BY THE CHAIRMAN
OF THE INTERNATIONAL CIVIL SERVICE COMMISSION
MR. KINGSTON P. RHODES
TO THE FIFTH COMMITTEE OF THE GENERAL ASSEMBLY
NEW YORK, 24 OCTOBER 2011**

**Mr. Chairman,
Distinguished members of the Fifth Committee,
Ladies and Gentlemen,**

May I first congratulate you, Mr. Chairman, on your election and extend best wishes to your colleagues in the Bureau. I am honoured to introduce the thirty-seventh annual report of the International Civil Service Commission and I am confident that under your leadership and guidance the deliberations on our report will be most productive.

Before addressing the specific items in our report, let me assure you that in carrying out its functions the Commission has always kept present the global economic and political climate in which it operates. Recognizing that the effect of today's economic realities on Member States is particularly harsh, the Commission has continued to look for ways to meet the daunting challenges of finding new tools for solving problems—problems, I might add, that at times can appear increasingly intractable—by focusing on innovation and collaborative methods, while at the same time ensuring that the solutions identified will serve *all* of its stakeholders. Although at the present time the efforts of finding equitable solutions for staff is being severely tested as a result of developments outside our control, the mandate of ICSC remains that of developing to the best of its ability competitive conditions of service. We know that without them we cannot build and maintain an effective international civil service. The very concept of the international civil service is dependent on the ability- in fact the UN Charter uses the word “necessity” of international organizations to recruit and retain staff according to the highest standards of efficiency, competence and integrity.

Over the past several years, a constant call has been the need “to do more with less”. We all recognize and indeed understand very well the reasons for this which is why the Commission has been relentless in pursuit of ways to accomplish this goal.

As a matter of record this past July at the opening of the seventy-third session of ICSC, I stressed that we must not lose sight of the harsh economic realities that surround us today and urged the Commission to leave no stone unturned when exploring and considering options to fulfill the multiple mandates from Member States. Members of the Commission are all too well aware that the days of business as usual are long over. So instead of bemoaning these uncertain times they have embraced them as an opportunity to be more flexible and more creative in their thinking.

One of the great challenges to UN organizations today is how to remain a competitive employer in an uncertain economic environment. Until now UN organizations have continued to be able to recruit competent staff because they offer what large corporations cannot—unique missions, a special vision and the notion that their staff are contributing their talents to the betterment of the planet. For now the intangibles I just mentioned serve to attract staff and particularly the young. We need to keep in mind though that unless organizations are able to continue to offer competitive conditions of service that include conditions valued by today’s workforce such as learning opportunities, career development, recognition and reward programmes and appropriate measures for dealing with conditions of life in difficult duty stations, UN organizations may find themselves struggling to compete for a first rate work force capable of carrying out the mandates of Member States.

In the report before you, you will find the Commission’s recommendations and decisions taken on the basis of technical assessments and which have behind them the single, overriding goal of supporting an effective international civil service. The Commission counts on all stakeholders to support this goal so that the international civil service can continue to maintain its rightful place and carry out its important role in the global arena.

I turn now to the items on which we are requesting action from the Committee. The financial implications are listed at the beginning of our report.

Performance Management Framework

Distinguished delegates, as you will recall, in your 2008 resolution 63/251, you requested the Commission to work with organizations and staff to develop and submit to the General Assembly, an updated performance management framework. This is set out in annex IV of the present report. This framework differs from previous approaches in that the

Commission has found that cultivating organizational cultures that keep staff members engaged and motivated is preferable to systems that operate without that focus. As various studies have shown, there is a direct link between engaged, motivated staff and organizational effectiveness.

As we have often said, executive management is crucial to the process because the cultural values espoused by senior management are at the heart of organizational culture. It is for this reason that once again, I seek your support in urging the Executive Heads to adopt and champion the values embedded in the Framework and to consider performance management and implementation of the Framework as a high priority item within their organizations.

Evolution of the UN/US Margin

The Commission continued to monitor the margin between the net remuneration of the United Nations common system staff in the Professional and higher categories in New York and their counterparts in the comparator civil service in Washington, D.C. This margin is the result of a comparison between the net remuneration of UN common system staff in New York and the net remuneration of US Federal civil service staff in Washington, D.C at comparable grades for the calendar year 2011. It takes into account all developments relating to net salaries on both sides during the reporting period. This also includes the freeze on UN salaries in NY from August 2008 to August 2011. As you are no doubt aware, by resolution 40/244, a margin range of 110 to 120 was established with the understanding that the margin would be maintained at a level around the mid-point of 115 over a period of time. I wish to report that for the period of 1 January to 31 December 2011, the margin stands at 114.9, while the average margin level for the last five years—2007 to 2011—stands at 114.1.

Base/Floor Salary Scale

As a result of a pay freeze implemented in the comparator civil service and which was taken into account in margin calculations for 2011, there will be no adjustments in the gross salary levels in the United States of America Federal civil service during the biennium 1 January 2011 to 31 December 2012. However, despite the freeze, changes in the US Federal tax rate schedule, together with personal exemptions and standard deductions resulted in an increase of 0.13 percent in net terms for 2011 over the 2010 level. The Commission is therefore recommending an adjustment of 0.13 percent to the base/floor salary scale. As usual, this adjustment will be made in accordance with the standard consolidation procedure of increasing the base/floor salary scale, while reducing post adjustment levels commensurately, in other words, on a “no loss, no gain” basis.

Revised Rates of Staff Assessment

The Commission is also recommending revised rates of the staff assessments used in conjunction with gross base salaries for the Professional and higher categories. This recommendation responds to a request from the UN Secretariat to address a surplus that had accumulated in the Tax Equalization Fund and for which a 15 percent reduction in the Fund's revenue was required. The Commission has also decided to review the staff assessment rates every three years.

General Service Salary Survey Methodologies

I am pleased to inform you that the Commission has successfully completed its review of the salary survey methodologies for the General Service and related categories and that the new methodologies will come into effect as of January 2012. With the full participation of the organizations, staff federations, the Commission has established two methodologies. The so-called Methodology 1 will be applied to the eight common system headquarters duty stations and also to six additional duty stations deemed to have labour markets similar to the headquarters locations. Methodology II will be applied to all other duty stations.

Among the many decisions of ICSC on the methodology, I draw your attention to a new amendment, based on the General Assembly's request at the sixty-fifth session, that higher consideration be given to the national civil service among the retained employers, bearing in mind that the United Nations is a civil service organization. Details of all modifications are included in the annual report.

Harmonisation

In line with your requests in resolution 65/248, the Commission promulgated a revised framework with set criteria for granting rest and recuperation travel to staff in non-family and hardship duty stations. The Commission also established unified rates for the special operations living allowance (SOLA) during the transitional period.

Education Grant

The Commission considered a request from the CEB to amend as of the school year in progress on 1 January 2012 the current minimum eligibility age for receipt of an education grant from 5 years to a lower age when the laws at specific locations mandate that formal education begin under the age of 5. This request was driven by an inter-cantonal agreement in Switzerland to harmonise compulsory education and which came in effect on 1 August 2009. Because of the limited number of children so affected, the additional cost to the system was found to be minimal.

Danger Pay

Lastly, you will note from our report that the Commission decided to discontinue hazard pay. Hazard pay was introduced in 1984 as an exceptional measure for staff who served in duty stations where very hazardous conditions, such as war or active hostilities, prevailed and where evacuation of families and non-essential staff had taken place. Hazard pay will be replaced by “danger pay” which is based on new criteria as set out in an annex to the report. As you will no doubt notice, the replacement of hazard pay by danger pay results in estimated annual savings of approximately US\$19 million, due to a reduction in the number of duty stations eligible under the new criteria.

Mr. Chairman, distinguished members of the Committee,

Let me conclude by saying that I look forward to working with you and receiving your comments on the work concluded during the year. I have always considered guidance from this Committee invaluable, but this year would emphasize the particular importance of your objective understanding of the reasoning behind the Commission’s decisions and recommendations. In the end, it is you the Member States who have the ability to uphold and maintain a strong and competitive international civil service through your continuing support of their conditions of service.

Mr. Chairman, our secretariat—and indeed I in my capacity as both Chairman and Commission member—are available to provide answers to your questions and any clarification you may need during the upcoming informal consultations.

Once again, thank you for your attention.

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