

UNITED NATIONS



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INTERNATIONAL CIVIL SERVICE  
COMMISSION

COMMISSION DE LA FONCTION  
PUBLIQUE INTERNATIONALE

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**ITEM 137: 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, 26 NOVEMBER 2012**

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

It gives me great pleasure to introduce the thirty-eighth annual report of the International Civil Service Commission. First of all, allow me to congratulate you, Mr. Chairman, and the members of your Bureau on your elections. Under your competent leadership and guidance, I am convinced that this Committee will conclude its work in a timely manner, and arrive at a successful outcome.

I am here before you this year at a juncture that we all know to be difficult, not only for the United Nations and its system of organizations, but for you, the Member States as well. Let me assure you at the outset that ICSC has always endeavoured to ensure that its recommendations and decisions are sensitive to the prevailing economic realities. This year has been no exception. We understand all too well that national civil services are no less impacted by the global financial situation than UN organizations. Indeed, ICSC was ever conscious of last year's General Assembly resolution, 66/235A of 21 December 2011, which reiterated its request to the Commission to coordinate and regulate the conditions of service of staff of the organizations of the United Nations common system, *bearing in mind the limitations imposed by Member States on their national civil services*. Let me say again that it has been a long-established practice on the part of ICSC to be mindful of the environment in which it operates, but the Commission took special care this year to take into account the particularly serious financial situation faced by all parties as it considered the items on its agenda.

Now to the report so that I can brief you on the most salient matters reviewed by the Commission during the past year.

### **Report of the working group on the review of pensionable remuneration**

The Commission has completed its review of pensionable remuneration. Items considered were: (i) the comparability of the UN pension plan and US Federal Employee Retirement System (FERS) and the possibility of developing a new methodology; (ii) the income inversion phenomenon; (iii) the grossing-up factor used to determine the pensionable remuneration scale; (iv) the interim adjustment procedure for updating the pensionable remuneration scale; (v) the common scale of staff assessment; and (vi) the non-pensionable component which relates to the General Service and locally recruited categories. The Commission concluded that, despite the potentially higher benefit under the US Federal Employee Retirement System (FERS), the current levels of the pensionable remuneration scale resulted in income replacement ratios which were comparable to those of the FERS at similar levels of employee contributions. In view of these findings, the Commission concluded that the current PR scale should be retained.

### **Mandatory age of separation**

At its meeting in July 2012, the UNJSPB maintained that among all options at hand to ensure the Fund's long-term sustainability, an increase in the normal retirement age was a priority. The Commission decided to support the recommendation from the UNJSPB to raise the mandatory age of separation to age 65 for new staff of the UNJSPF member organizations, effective no later than 1 January 2014. In addition, the Commission in collaboration with the Pension Board is working with the organizations and the staff representatives on detailed analysis of the implications of applying the increased mandatory age to current staff members.

### **Children's and secondary dependant's allowances: review of the level**

The Commission reviewed the levels of children's and secondary dependents' allowances this year in accordance with the present system of biennial review cycles for the levels. The tax and social legislation changes in the eight headquarters countries, on which the review is based, would have led to a 16 per cent increase in the level of the children's allowance. The Commission decided, however, to defer making recommendations and to revisit the methodology for calculating the allowance, with a particular view to reducing the dominance of larger duty stations. The Commission will report on the outcome of the methodology review and make recommendations on the adjustment of the levels of the children's and secondary dependant's allowances in its next annual report.

### **Review of the level of the education grant**

The Commission conducted its biennial review of the level of the grant and recommends adjustments to the grant levels in 12 country/currency zones and to the boarding flat rates in 14 zones for the school year in progress on 1 January 2013. The Commission also recommends that special measures: (a) be maintained for a number of countries; (b) be introduced for a number of international schools in certain countries and; (c) be phased out in one location.

During the coming year, the Commission will continue its review of the education grant methodology with a view to harmonizing and simplifying the benefit scheme.

### **Contractual arrangements: review of the implementation of the three types of contracts and the phasing-out of appointments of limited duration**

In accordance with the Commission's recommendations, organizations have phased out appointments of limited duration as of this year. The Commission will continue to review the implementation of the ICSC contractual framework and report on it in 2014.

### **Surveys of best prevailing conditions of employment at Rome**

The first survey under the revised methodology for best prevailing conditions of employment at Headquarters and similar duty stations was conducted in Rome in April 2012. The resulting salary scale for the General Service category recommended by the Commission to the Rome-based organizations is 9.2 per cent lower than the existing salary scale. The notional savings resulting from the implementation of the revised salary scale are estimated at US\$ 7.8 million per annum and will be phased in gradually as follows: the revised salary scale will apply to staff recruited on or after the promulgation date by the Rome-based organizations, while for serving staff the existing scale will be frozen until such time as it corresponds to the new scale.

### **Report of the working group on standards of conduct for the international civil service**

The Commission first reviewed and reissued the Standards of Conduct for the international civil service in 2001. Since then, changes have taken place in the organizations and the outside world which necessitated a further revision. These led to the need, inter alia, to strengthen accountability of staff at all levels. You have before you for your approval the revised standards, which were drafted by a working group composed of some Commission members, HR professionals, legal/ethics officers and staff representatives.

### **Conditions of service in the field**

On the basis of a review of a broad range of field-related issues, the Commission is recommending changes to danger pay and the rest and recuperation framework. Effective January 2013, the level of danger pay would be increased to 30 per cent of the net midpoint of the applicable 2012 General Service salary scales of those duty stations qualifying for danger

pay and it would then be delinked from the applicable General Service salary scales. The financial implications resulting from the above changes are presented in the Commission's report.

The Commission introduced some changes to criteria for the rest and recuperation framework, but decided to defer consideration of an allowance for the accommodation portion of rest and recuperation travel.

A number of decisions related to the security evacuation allowance and extended monthly security evacuation allowance were also taken.

In addition to the items I have just covered in some detail, you will also find in this year's report the result of the review of the base/floor salary scales, and post adjustment related matters; and, as requested by the General Assembly, a report on the study conducted by our secretariat on the mobility policies and practices of organizations of the United Nations common system.

### **Evolution of the United Nations/United States net remuneration margin**

As you know, the Commission, under a standing mandate and in compliance with Articles 10 and 11 of its statute, monitors the margin between the net remuneration of the United Nations in the Professional and higher categories in New York and that of their counterparts in the comparator civil service in Washington, D.C. For calendar year 2012, applying the approved methodology results in a margin of 117.1 with the increase in the post adjustment multiplier for New York, due on 1 August 2012. However, to provide Member States with an opportunity to discuss the issue, the Commission decided to delay the promulgation normally due in August.

I would like to stress that for ICSC to comply with and adhere to the approved methodology, the revised post adjustment multiplier for New York would need to be implemented with retroactive effect to August 2012. While delaying its promulgation may constitute an exceptional measure, it in no way compromises the integrity of the operation of the post adjustment system. The approach taken by the Commission enables it to remain in compliance with the established methodology, while taking into account the resolution 66/235A. There is a further consideration, a critical one that cannot be overlooked: New York is the base of the post adjustment system; any decision to constrain post adjustment at the base would have a commensurate impact on the entire post adjustment system, with the corresponding consequences.

A final word on this matter: we do not operate in a vacuum, the Commission understands your constraints and the demands and pressures you face, that is why we have tried wherever possible to meet your needs by nuancing our recommendations without diluting them or depriving them of their technical probity and soundness.

**Mr. Chairman, distinguished members of the Fifth Committee,**

During the past year, members of the Commission devoted their time and lent their expertise to various working groups and arrived at the above recommendations after cautious and thoughtful consideration and, as I have already said, ever and consistently mindful not only that many organizations are currently functioning with limited resources but also that Member States are themselves similarly affected.

As you debate the issues before you in our report in the coming weeks, let us not forget, especially during this period of financial turmoil, that it was at a time not dissimilar to what we are experiencing today that the General Assembly itself saw the need for and established the Commission as a technically competent body and empowered it to make recommendations and take significant decisions affecting the common system. ICSC was tasked in particular with developing transparent technical methodologies that, because of their robustness, could withstand challenges and thereby lightening the burden of the Assembly in this respect.

As Chairman of the Commission, I am certain that I need not remind this distinguished Committee that ICSC has always worked diligently to provide you, the Member States, with sound technical advice, based on our well researched methodologies, in order to enable you to take informed decisions. The technical methodologies developed by the Commission are meant to cover the specific conditions of service for which they were designed, including eventualities which may not always be palatable to all parties. Moreover, these methodologies, which are subject to regular review and updating, function as a protection against *ad hoc-ery*. What I am saying is that to remain viable, they must also remain consistent and be applied as intended. We fully realize that we are now living in times that try us all, but should we not then be ever more keen in safeguarding our mandate—in particular our proven, technically-based methodologies that have stood the test of time, met their objectives and served the common system so well? I would strongly caution against establishing precedents that for the sake of some particular expediency might endanger the technical integrity of the Commission, this Commission — I find I must say it again - created by the General Assembly. .

To conclude Mr. Chairman, I, in my dual capacity as Chairman and Commission member, as well as our secretariat, 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.