SIXTH ITEM ON THE AGENDA

Human Resources questions

I. Recommendations of the International Civil Service Commission

1. This section of the document provides information on the recommendations contained in the report of the International Civil Service Commission (ICSC) for the year 2021.

2. As far as section A. below is concerned, the General Assembly will not have reached any final decision concerning the recommendations at paragraph 20 below when the Board holds its 85th Session (October 2021). Since these measures, if approved, will come into effect for all organizations within the United Nations (UN) System and have financial implications for the Centre as from 1 January 2022, these recommendations are being submitted for approval by the Board at its current session.

3. Section B. is submitted for information.

A. Base salary scale

4. The base/floor salary scale for staff in the professional and higher categories is set by reference to the base General Schedule salary scale of the Federal Civil Service of the United States, which has been the comparator civil service since the creation of the UN. Periodic adjustments are made on the basis of a comparison of net salaries of UN officials at the midpoint of the scale with the corresponding salaries of their counterparts in the comparator civil service. The adjustments are implemented by means of the standard no-loss-no-gain method of consolidating post-adjustment points into the base/floor salary scale while commensurately reducing post-adjustment levels.

5. As a result of an increase in the reference comparator pay level in net terms, the ICSC has recommended to the General Assembly for approval with effect from 1 January 2022 a revised base/floor salary scale for professional and higher categories of staff with a 0.92 per cent adjustment implemented through the standard no-loss-no-gain consolidation method described in paragraph 3 above. The proposed increase in the salary should also be applied to the pay protection points for staff whose salaries were higher than those at the maximum level of their grade on conversion to the unified salary scale. This adjustment also implies a proportional increase in end-of-service

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1 CSC/90/R.13
payments. The proposed amendments to the salary scales are contained in Appendix A.

B. Review of definition for “H” category duty stations

6. At its eighty-ninth session, in 2019, the Commission agreed to add an item to its agenda, at the request of the United Nations International Civil Servants Federation, concerning the impact of the linkage between H category duty stations and the expansion of the European Union. Recalling that the Commission’s most recent decision on the issue had been, as mentioned above, to reaffirm that H category duty stations were not subject to hardship classification, the Federation requested the Commission to conduct an urgent review of the common system duty stations in the European Union to identify any undue hardship, and to clearly define a methodology to overcome such issues. The Federation believed that a review of duty stations should be carried out where a classification of H had had a negative effect on allowances by not recognizing the hardship faced by staff. The Commission decided to study further the issues relating to all H category duty stations, taking into account its previous work on the subject.

7. Under the current mobility and hardship scheme, duty stations are classified into six categories by level of difficulty: H and A to E. The H category duty stations are headquarters and similarly designated locations where the United Nations has no development or humanitarian assistance programmes, or locations in countries that are members of the European Union. For those locations designated as an H or A duty station, no hardship allowance is paid. The mobility incentive is not payable to staff at H category duty stations since its introduction on 1 July 2016, in accordance with General Assembly resolution 70/244, in lieu of the previous mobility allowance.

8. When the mobility and hardship scheme was introduced in 1990, it was decided that a certain category of duty stations would remain outside the hardship scheme. Those were defined as locations where the United Nations had neither development nor humanitarian programmes and included all locations where the United Nations system maintained a headquarters. Those locations were known as H duty stations and, also included all duty stations in Australia, Canada, Japan, New Zealand, the United States of America and Western Europe.

9. In 2004, the Commission decided to expand the H category to cover all duty stations in countries that were members of the European Union. It decided that the change from A to H in the hardship classification of the 10 countries joining the European Union on 1 May 2004 (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia) should be applied with effect from 1 January 2005. With that decision, duty stations in other European countries that had previously been classified as field duty stations became H category duty stations. The change in classification from field duty station to H category under the mobility and hardship scheme resulted in reductions in entitlements for staff serving in those duty stations. At present, the only difference in the mobility and hardship entitlements between H and A duty stations is that the mobility incentive is not payable at H duty stations, while it is payable in A to E duty stations.

10. In 2007, upon the enlargement of the European Union to include Bulgaria and Romania, the Commission recalled its above decisions in 2004. In that context the Commission observed that the same treatment should be given to staff in these two
countries acceding to the European Union. The Commission decided that the change from A to H in the classification of those duty stations in Bulgaria and Romania under the mobility and hardship scheme should be applied with effect from 1 January 2008.\(^5\)

11. During the deliberations by the Commission on the implications of the enlargement of the European Union on the operation of the mobility and hardship scheme, staff and management expressed concerns regarding the change in categorization, considering the differences in standards of living between some of the new H locations and the established ones. Although staff serving in H and A category duty stations were both ineligible for hardship allowance, the maintenance and expansion of the H category had implications for the mobility allowance at that time.

12. It should be noted that, in reaching its decision to treat countries belonging to the European Union as group H duty stations, thereby excluding them from any assessment under the hardship scheme, the Commission considered that countries seeking membership to the European Union had to fulfil certain criteria, a fact that should be respected and recognized.\(^6\) In view of the high standards set by the European Union, the Commission, at its seventy-second session, in 2011, defined H category duty stations as headquarters and similarly designated locations where the United Nations has no development or humanitarian assistance programmes for that country, or locations in countries that are members of the European Union.\(^7\)

13. In 2013, the Commission was once again requested to decide upon the hardship classification procedures that would be applied to Croatia once that country joined the European Union. The Commission recalled its earlier decisions following the accession of new member countries to the European Union in 2004 and 2007 and suggested that the same approach be followed for Croatia when it acceded to the European Union on 1 July 2013. It decided that the classification of duty stations in Croatia should be changed from A to H under the mobility and hardship scheme, with effect from 1 January 2014.\(^8\)

14. In 2019, during its deliberations on the review of the impact of the linkage between H category duty stations and the European Union, the Commission recalled the discussion that had been held earlier when new member countries of the European Union were excluded from the hardship scheme and placed in the H category. The Commission recalled that, before reaching its decision to treat locations in countries belonging to the European Union as group H duty stations, it had taken into consideration the fact that accession to the European Union was a long process and countries that sought membership were required to fulfil certain criteria. This fact, the Commission stated, should be respected and recognized.\(^9\)

15. The International Labour Organization was of the view that sudden and unexpected changes in the local socioeconomic situation should be taken into account to assess any H categorization, beyond considering whether local development or humanitarian assistance programmes were in place. Furthermore, it suggested that a more comprehensive information package should be developed so that organizations could explain to staff members the hardship classification system, as the implications regarding benefits and entitlements were not always well understood.

16. The majority of the reporting organizations agreed with the Commission’s definition of H category duty stations as “headquarters and similarly designated locations where the

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\(^5\) See ICSC/64/R.11, para. 49 (e).
\(^7\) See A/66/30, paras. 28 and 38 (d).
\(^8\) See A/68/30, para. 129 (e).
United Nations has no developmental or humanitarian assistance programmes for that country, or locations in countries that are members of the European Union”. Some organizations considered that it was advisable to review the conditions of work and life in H category duty stations.

II. Amendment to the Staff Regulations

17. Article 7.3 of the Staff Regulations currently provides for the Reports Committee to be composed of three members, who occupy the positions of Chief of Branch. In cases where the Committee is called upon to make a recommendation concerning an official whose responsible chief is one of its members, that member shall not participate in the deliberations.

18. The Centre is seeking Board approval to amend Article 7.3 of the Staff Regulations to add the nomination of substitute members to the Reports Committee. This is required to ensure a pool of available members to facilitate the timely organization of meetings and to ensure a review by a sufficient number of members. The matter has already been submitted to the JNC for consultation.

19. The amended Article 7.3 – Reports Committee would be as follows:

“The Director shall establish a Reports Committee which shall have such functions as are assigned to it by these Regulations. The Committee shall be composed of three members or their substitutes, who occupy the positions of Chief of Branch. When it is called upon to make a recommendation concerning an official whose responsible chief is one of its members, that member shall not participate in its deliberations. The Reports Committee shall establish its own procedure and its proceedings shall be regarded as secret.”

20. The Board is requested to:

a) accept the recommendation of the ICSC subject to their approval by the United Nations General Assembly, all with effect as from 1 January 2022, concerning:

   (i) an increase of 0.92 per cent in the base/floor salary scales for the Professional and higher category of staff on a no-loss-no-gain basis;

   (ii) the consequential increases in separation payments.

b) to approve the proposed amendment to Article 7.3 – Reports Committee of the Staff Regulations.

Point for decision: Paragraph 20.

October 2021
Annex A.

Proposed salary scale for the Professional and higher categories showing annual gross salaries and net equivalents after application of staff assessment (effective 1 January 2022)*

A. Proposed salary scale and pay protection points (effective 1 January 2022)

(United States dollars)

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</tr>
</thead>
<tbody>
<tr>
<td>USG</td>
<td>207 368</td>
<td>152 363</td>
<td>188 253</td>
<td>139 747</td>
<td>D-2</td>
<td>Gross 150 252</td>
<td>116 947</td>
<td>119 228</td>
<td>121 511</td>
<td>123 794</td>
<td>126 076</td>
<td>128 356</td>
<td>130 640</td>
<td>132 921</td>
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<tr>
<td>ASG</td>
<td>111 949</td>
<td>90 664</td>
<td>94 871</td>
<td>75 602</td>
<td>D-1</td>
<td>Gross 134 514</td>
<td>118 384</td>
<td>120 821</td>
<td>123 253</td>
<td>125 690</td>
<td>128 123</td>
<td>130 561</td>
<td>132 994</td>
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<td>P-5</td>
<td>90 664</td>
<td>77 247</td>
<td>97 036</td>
<td>77 884</td>
<td>P-4</td>
<td>Gross 94 871</td>
<td>97 036</td>
<td>99 200</td>
<td>101 481</td>
<td>103 830</td>
<td>106 180</td>
<td>108 533</td>
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<td>113 231</td>
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<td>P-3</td>
<td>62 692</td>
<td>64 214</td>
<td>65 737</td>
<td>67 258</td>
<td>P-2</td>
<td>Gross 60 203</td>
<td>61 993</td>
<td>63 784</td>
<td>65 575</td>
<td>67 370</td>
<td>69 163</td>
<td>70 958</td>
<td>72 743</td>
<td>74 537</td>
</tr>
<tr>
<td>P-2</td>
<td>49 254</td>
<td>50 615</td>
<td>51 976</td>
<td>53 337</td>
<td>P-1</td>
<td>Gross 46 413</td>
<td>47 806</td>
<td>49 198</td>
<td>50 646</td>
<td>52 164</td>
<td>53 688</td>
<td>55 207</td>
<td>56 729</td>
<td>58 249</td>
</tr>
<tr>
<td>P-1</td>
<td>38 523</td>
<td>39 679</td>
<td>40 834</td>
<td>41 991</td>
<td></td>
<td>Gross 46 413</td>
<td>47 806</td>
<td>49 198</td>
<td>50 646</td>
<td>52 164</td>
<td>53 688</td>
<td>55 207</td>
<td>56 729</td>
<td>58 249</td>
</tr>
</tbody>
</table>

Note: The normal qualifying period for in-grade movement between consecutive steps is one year. The shaded steps in each grade require two years of qualifying service at the preceding step.

Abbreviations: ASG, Assistant Secretary-General; USG, Under-Secretary-General.
## Proposed pay protection points for staff whose salaries are higher than the maximum salaries on the unified salary scale (effective 1 January 2022)

B. Proposed pay protection points for staff whose salaries are higher than the maximum salaries on the unified salary scale

<table>
<thead>
<tr>
<th>Level</th>
<th>Pay protection point 1</th>
<th>Pay protection point 2</th>
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<tbody>
<tr>
<td></td>
<td>(United States dollars)</td>
<td></td>
</tr>
<tr>
<td>P-4</td>
<td>Gross 124 981</td>
<td>127 331</td>
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<tr>
<td></td>
<td>Net 96 987</td>
<td>98 632</td>
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<tr>
<td>P-3</td>
<td>Gross 104 263</td>
<td>106 437</td>
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<tr>
<td></td>
<td>Net 82 484</td>
<td>84 006</td>
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<tr>
<td>P-2</td>
<td>Gross 83 495</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Net 66 956</td>
<td>–</td>
</tr>
<tr>
<td>P-1</td>
<td>Gross 65 851</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>Net 53 547</td>
<td>–</td>
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