



## EIGHTEENTH ITEM ON THE AGENDA

**Report of the International Civil Service Commission**

1. This paper outlines recommendations of the International Civil Service Commission (ICSC) concerning the base/floor salary scale for staff in the Professional and higher categories that have been submitted to the United Nations General Assembly (UNGA) in its annual report for 2004.<sup>1</sup>
2. A detailed report on the ICSC's 2004 annual report and related decisions of the General Assembly will be provided to the Programme, Financial and Administrative Committee in March 2005, as decided by the Governing Body at its 289th Session.<sup>2</sup> The recommendations concerning base/floor salary scale have financial implications for the Office, and are thus submitted to the Committee for early consideration so as to avoid the need for costly retroactive adjustments.

**Base/floor salary scale**

3. The base/floor salary scale for the Professional and higher categories is set by reference to the General Schedule salary scale of the United States federal civil service. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials with the corresponding salaries of their counterparts in the US federal civil service. The Commission was informed that, in view of the movement of the federal civil service salaries in the United States as from 1 January 2004, an adjustment of the UN common system's scale of 1.88 per cent would be necessary in order to maintain the base/floor scale in line with the comparator's base scale.
4. The Commission decided to recommend to the General Assembly that the current base/floor salary scale for the Professional and higher categories be increased by 1.88 per cent through standard consolidation procedures, on a no-loss/no-gain basis, with effect

<sup>1</sup> General Assembly, Official Records, 59th Session, Supplement No. 30 (A/59/30).

<sup>2</sup> In an effort to reduce the documentation for the Governing Body, it has been decided that a single report be submitted at the March session covering both the ICSC and General Assembly decisions (see GB.289/PFA/17).

from 1 January 2005. Consequential increases in the mobility and hardship allowance and separation payments will also result from this salary adjustment.

## Financial implications

5. The cost of implementing the ICSC's recommendations concerning the increase of 1.88 per cent in the base/floor salary scale (paragraph 4) and in related allowances/payments are covered by provisions made for that purpose in the Programme and Budget for 2004-05.
6. *The Committee may wish to recommend that the Governing Body –*
  - (a) *accept the recommendations of the ICSC, subject to their approval by the United Nations General Assembly, on the following entitlements:*
    - (i) *an increase of 1.88 per cent in the base/floor salary scale; and*
    - (ii) *consequential increases in the mobility and hardship allowance and separation payments, for staff in the Professional and higher categories, with effect from 1 January 2005; and*
  - (b) *authorize the Director-General to give effect in the ILO, through amendments to the Staff Regulations (as necessary), to the measures referred to in subparagraph (a), subject to their approval by the General Assembly.*

Geneva, 29 September 2004.

*Point for decision:* Paragraph 6.