



FIFTEENTH ITEM ON THE AGENDA

Report of the International Civil Service Commission

1. At its 294th (November 2005) and 295th (March 2006) Sessions, the Programme, Financial and Administrative Committee was informed of the status of consideration of the International Civil Service Commission's (ICSC) 2005 annual report.¹ The General Assembly has again deferred consideration of the ICSC 2005 annual report to its 61st Session in autumn 2006.
2. The present paper outlines recommendations of the 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 2006.²
3. A detailed report on the decisions taken by the UNGA in respect of the ICSC's 2005 and 2006 reports will be provided to the Committee in March 2007, as decided by the Governing Body at its 289th Session.³ 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

4. 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 United States 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 2005, an adjustment of the United Nations common system's scale of 4.57 per cent would be necessary in order to

¹ GB.294/PFA/17 and GB.295/PFA/8.

² General Assembly, Official Records, 61st Session, Supplement No. 30 (A/61/30).

³ In an effort to reduce the documentation for the Governing Body, a single report will be submitted at the March session covering both the ICSC and General Assembly decisions (see GB.289/PFA/17).

maintain the base/floor scale in line with the comparator's base scale. The proposed increase of 4.57 per cent included the 2.49 per cent increase proposed but not yet approved by the UNGA for 1 January 2006.

5. The Commission decided to recommend to the UNGA that the current base/floor salary scale for the Professional and higher categories be increased by 4.57 per cent through standard consolidation procedures, on a no-loss/no-gain basis, with effect from 1 January 2007. Consequential increases in separation payments will also result from this salary adjustment.
6. At its 295th Session (March 2006), the Committee was informed⁴ of proposals being made to the UNGA with regard to a revised mobility and hardship scheme. One of the major changes in the scheme would be to introduce flat amounts to replace the automatic link to the base/floor scale. A revised implementation date of 1 January 2007 is now being proposed to the UNGA at its 61st Session. If approved, it would not imply increases in the mobility and hardship allowance resulting from revisions of the base/floor scale.

Financial implications

7. The cost of implementing the ICSC's recommendations concerning the increase of 4.57 per cent in the base/floor salary scale (paragraph 5) and in related payments are covered by provisions made for that purpose in the Programme and Budget for 2006-07. As reported to the Committee at its 295th Session (March 2006),⁵ the proposed modifications to the mobility/hardship scheme have been developed on the principle of cost neutrality and therefore should have no financial implications for the Office.

8. *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 4.57 per cent in the base/floor salary scale; and*
 - (ii) *consequential increases in separation payments, for staff in the Professional and higher categories with effect from 1 January 2007; 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, as modified if appropriate.*

Geneva, 20 September 2006.

Point for decision: Paragraph 8.

⁴ GB.PFA/295/PFA/8, paras. 3-8.

⁵ GB.295/PFA/8.