



منظمة الأغذية
والزراعة
للأمم المتحدة

联合国
粮食及
农业组织

Food
and
Agriculture
Organization
of
the
United
Nations

Organisation
des
Nations
Unies
pour
l'alimentation
et
l'agriculture

Продовольственная и
сельскохозяйственная
организация
Объединенных
Наций

Organización
de las
Naciones
Unidas
para la
Agricultura
y la
Alimentación

FINANCE COMMITTEE

Hundred and Twenty-second Session

Rome, 22 - 30 May 2008

Decisions of the General Assembly on International Civil Service Commission and UN Joint Staff Pension Board (including Changes in Salary Scales and Allowances)

1. This document forms part of an annual submission to the Finance Committee informing it of the decisions taken by the United Nations General Assembly (UNGA) following its review of the annual reports of the International Civil Service Commission (ICSC) and of the United Nations Joint Staff Pension Board (UNJSPB).
2. The present document reports on the decisions taken by the UNGA at its 62nd session held in 2007 concerning the ICSC and UNJSPB annual reports for 2007. The document also provides information on the associated financial implications of these decisions for the Organization, as well as on other recent developments concerning the conditions of service of staff in the Professional and higher categories and General Service staff.
3. With regard to the projected increases in costs outlined in the document, most notably (i) an increase in the areas of base/floor salary of Professional and higher categories of staff effective 1 January 2008, (ii) a revision of the scale of pensionable remuneration for the Professional and higher categories; and (iii) increases in the Rome-based General Service staff salary and related allowances with effect from November 2007, it should be noted that adequate provision has been made in the Organization's Programme for Work and Budget for the biennium 2008-09 to cover these projected costs.
4. The Finance Committee is invited to take note of the fact that in accordance with Article 11 of the Statute and Rules of Procedure of the ICSC, the decisions of the ICSC on conditions of service that have been approved by the UNGA are binding on all the organizations of the United Nations Common System.

This document is printed in limited numbers to minimize the environmental impact of FAO's processes and contribute to climate neutrality. Delegates and observers are kindly requested to bring their copies to meetings and to avoid asking for additional copies. Most FAO meeting documents are available on the Internet at www.fao.org

I. International Civil Service Commission (ICSC)

A. UNITED NATIONS COMMON SYSTEM

5. The UNGA reaffirmed its commitment to a single, unified United Nations common system as the cornerstone for the regulation and coordination of the conditions of service of the United Nations common system being convinced that the common system constitutes the best instrument to secure staff of the highest standard of efficiency, competence and integrity for the international civil service, as stipulated under the Charter of the United Nations. The UNGA also reaffirmed the statute of the Commission and the central role of the Commission and the General Assembly in the regulation and coordination of the United Nations common system.

B. CONDITIONS OF SERVICE OF STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES

Evolution of the margin

6. Under a standing mandate from the General Assembly, the Commission continued to review the relationship between the net remuneration of the United Nations staff in the Professional and higher categories in New York and that of the United States federal civil service employees in comparable positions in Washington, D.C. (referred to as the margin). The Commission reported to the General Assembly the margin forecast of 113.9 between the net remuneration of the United Nations staff in grades P-1 to D-2 in New York and that of the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2007.

Base/floor salary scale

7. The UNGA approved the recommendation of the ICSC that the current base/floor salary scale for the Professional and higher categories be increased by 1.97 per cent through the use of the standard method of consolidating post adjustment multiplier points, on a no-loss/no-gain basis, with effect from 1 January 2008. The financial implication of this change for FAO is estimated to be approximately US\$ 23,000 for the year 2008 in respect of the scale of separation payments, which represents approximately 6.6 per cent of the system-wide financial implication.

Impact of decision of General Assembly on post adjustment up to February 2008

8. The levels for the Rome post adjustment classification, showing the fluctuation of the post adjustment multiplier and relative changes in the rate of exchange were announced by the ICSC from February 2007 to February 2008 as follows:

TABLE 1

Cost-of-living		Post Adjustment (Applying 4-month waiting period)			
Month	Index ¹	Month	Euro/Dollar Exchange Rate	Index	Multiplier
Oct. 2006	101.5	Feb. 2007	0.771	152.0	52.0
Nov. 2006	101.3	Mar. 2007	0.755	154.9	54.9
Dec. 2006	101.4	Apr. 2007	0.750	157.5	57.5
Jan. 2007	101.4	May 2007	0.732	161.0	61.0
Feb. 2007	101.6	June 2007	0.744	158.6	58.6
Mar. 2007	101.9	July 2007	0.740	159.4	59.4
Apr. 2007	102.4	Aug. 2007	0.731	161.2	61.2
May 2007	102.8	Sep. 2007	0.734	160.6	60.6
June 2007	103.0	Oct. 2007	0.705	166.6	66.6
July 2007	103.0	Nov. 2007	0.694	169.0	69.0
Aug. 2007	103.1	Dec. 2007	0.678	172.6	72.6
Sep. 2007	103.5	Jan. 2008	0.686	167.5	67.5
Oct. 2007	103.8	Feb. 2008	0.676	169.7	69.7

Pensionable remuneration

9. In accordance with article 54 (b) of the Regulations of the United Nations Joint Pension Fund the scale of pensionable remuneration for the Professional and higher categories is to be revised whenever the net remuneration in New York is adjusted. Effective 1 September 2007, the Chairman of the ICSC announced a 3.189 per cent increase in the post adjustment in New York and, concurrently, promulgated a revised scale of pensionable remuneration for the Professional and higher categories increased by the same percentage and with effect from the same date. The financial implication of this change for FAO is estimated to be approximately US\$ 860,000 for the period September 2007 – September 2008, when the next increase would be due.

**C. REMUNERATION OF THE GENERAL SERVICE AND OTHER
LOCALLY RECRUITED CATEGORIES**

Rome interim adjustment

10. In line with the procedure for interim adjustments established by the ICSC and approved by the Council², an across-the-board 1.67 per cent net increase in salaries of the General Service staff came into effect on 1 November 2007.

11. The annual pensionable remuneration was revised by the same percentage increase applied to the net salaries (1 to 1 interim adjustment procedure) and with effect from the same date.

¹ Index of cost-of-living for international officials in Rome. Please note that the index has been re-based effective 1 October 2005, the date of the last cost-of-living survey

² CL 82/REP, para. 186.187; CL 86/REP, para. 160 (b)

12. The annual net amount of the children's allowance was revised from €1 244.00 to €1 265.00.
13. The annual amounts of the first and second language allowances were revised by the same 1.67 per cent increase as that applied to the net salaries and with effect from the same date, 1 November 2007.
14. The financial implication of these changes for FAO is estimated to be, at the current rate of exchange, approximately US\$1.4 million for the period November 2007 - November 2008.

D. CONDITIONS OF SERVICE APPLICABLE TO BOTH CATEGORIES OF STAFF

Language Incentive

15. In line with the recommendation of the ICSC on language incentives, The UNGA took note that:
- a) The long-standing flexibility provided to the organizations in applying the language recognition schemes and other tools to promote multilingualism in the United Nations common system has been effective in meeting their diverse operational needs and should therefore be maintained;
 - b) The organizations should be encouraged to continue, taking into account their practical needs and within their budget considerations, efforts to promote the use of additional languages in a multicultural environment of the international civil service to further their operational goals;
 - c) When reviewing or developing programmes to improve the organizational effectiveness through multilingualism, the organizations should, where appropriate and advisable, consider the following general guidelines:
 - i) if the operational mandate so requires, proficiency in more than one official language of the organization should be included in vacancy announcements as a qualification requirement;
 - ii) the knowledge and use of additional languages should be taken into account in career development and promotions of staff;
 - iii) where a language allowance or a language incentive is administered, verification of language proficiency should be in place, with specific mechanisms to be determined by operational requirements and budget considerations; such mechanisms could include retesting examinations or certification or observance of language use under the performance appraisal system;
 - iv) where it could improve organizational effectiveness (e.g. facilitate mobility), free training in official as well as other languages could be considered for staff and family members;
 - v) where language proficiency is a job or mobility requirement, training should be fully paid for by the organization; in other cases, cost-sharing could be considered;
 - vi) the language incentive or allowance should not be applicable to the use of the mother tongue nor to language staff;
 - vii) free training or cost-sharing could be considered in lieu of providing a language incentive or allowance;
 - viii) where monetary language incentive schemes are to be administered, the focus should be to encourage the practical use and application of languages in the interest of improved organizational effectiveness.

Education Grant

16. The ICSC informed the General Assembly that it would continue its review of the education grant methodology and that it intended to report on the outcome of the review at the sixty-third session of the Assembly.

Review of the pay and benefit system

17. The Commission decided to request its secretariat to conduct a comprehensive evaluation of the pilot study of the broad banding/pay-for-performance project in the five voluntary organizations, stressing the lessons learned, and to report to the Commission at its sixty-sixth session (April 2008) so as to enable it to take an appropriate decision on this study.

18. The Commission also requested the secretariat to collect information on best practices in national civil services and other international organizations on performance recognition and reward.

E. STRENGTHENING OF THE INTERNATIONAL CIVIL SERVICE

19. The UNGA reaffirmed that the staff of the United Nations is an invaluable asset of the Organization, and commended its contribution to furthering the purposes and principles of the United Nations. It welcomed the steps taken by the Commission to strengthen its role and improve its functioning, and encouraged the Commission to continue this process.

II. United Nations Joint Staff Pension Board (UNJSPB)

Recommendations of the 54th Session of the United Nations Joint Staff Pension Board (UNJSPB)

20. In December 2007, the United Nations General Assembly (UNGA) considered the report of the 54th Session of the United Nations Joint Staff Pension Board (UNJSPB) held from 9 to 13 July 2007 in New York.

21. On 21 December 2007, the UNGA approved the resolution on the United Nations pension system that is fully in line with the decisions and recommendations of the Pension Board. The UNGA supported the overall recommendations put forth by the UNJSPB, and most importantly:

- accepted the new assumptions and mortality tables for the 2007 Actuarial Valuation of the UN Pension Fund's portfolio;
- approved the increase in budget level, including a budget and project plan for the implementation of the Enterprise Resource Planning Project; and,
- concurred with the Board that the Chief Executive Officer (CEO) and Representative of the Secretary-General undertake an overall review of the staffing and organizational structure, including relevant industry benchmarks and best practices for reporting back to the Board at its fifty-fifth session.

22. In addition, and as recommended by the Pension Board, the UNGA approved an ad-hoc, one-time, ex gratia payment to retirees and beneficiaries who were adversely affected by the dollarization policy adopted in 2000 by the government of Ecuador.

23. At the invitation of the International Fund for Agricultural Development (IFAD), the Pension Board decided to hold its 55th session in July 2008 at the IFAD Office in Rome.