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COUNCIL

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Extracts from documents:

- a) FC 147/12 - Recommendations and Decisions of the International Civil Service Commission and UN Joint Staff Pension Board to the General Assembly (including Changes in Salary Scales and Allowances) (paras. 22-34)
- and
- b) A/67/30 - Report of the International Civil Service Commission for 2012 (paras. 170-175)

a) Extract from document FC 147/12 - Recommendations and Decisions of the International Civil Service Commission and UN Joint Staff Pension Board to the General Assembly (including Changes in Salary Scales and Allowances)

Conditions of Service of Staff in the General Service and Other Locally Recruited Categories

Survey of Best Prevailing Conditions of Employment at Rome

22. Under article 12.1 of its statute, the ICSC last undertook a survey of best prevailing conditions of employment of the General Service and related categories in Rome in 2005. In accordance with the schedule of General Service salary surveys at headquarters and similar duty stations, approved by the Commission at its seventy-second session, it was decided that the pre-survey consultations for the next salary survey in Rome should be conducted in autumn 2011. The data collection would take place in April 2012, followed by consideration of the survey results at the summer session of the ICSC in 2012.
23. In autumn 2011, a Local Salary Survey Committee (LSSC) was established comprising representatives of the administrations and staff of FAO, IFAD and WFP. With regard to IFAD, while that organization fully participated in the survey exercise, a decision was required by the Commission on whether its data should be included in the data analysis for the present survey. Unlike the other Rome-based organizations, IFAD had taken a decision not to implement the interim adjustment to the salary scale that had become effective on 1 November 2010, in accordance with the ICSC methodology. Hence, IFAD currently applied the November 2009 salary scale.
24. Prior to the conduct of the survey in April 2012, the Chair of the ICSC, under the authority delegated to him by the Commission, approved the list of benchmark jobs to be surveyed, the survey job descriptions, the main and reserve lists of employers and the survey questionnaire which had been prepared by the LSSC.
25. The main and reserve lists of employers included 20 employers each, thus meeting the requirement for a minimum number of comparators on the sample. The main list was almost identical to that used for the previous survey, conducted in 2005, thus ensuring a high degree of continuity in the surveyed employers. The main list also included the Ministry of Foreign Affairs, as required under Methodology I.
26. The data collection took place from 16 April to 18 May 2012. While every effort was made to collect data by way of on-site interviews by the survey teams, some contact via e-mail or videoconference was required in order to complete the data collection. Notwithstanding the above, it had not proved possible to survey the minimum number of 20 employers. Hence, the use of external salary movement data, as foreseen under the methodology, was applied to complete the survey. All data collected related to the reference month of April 2012. The ICSC reviewed the salary survey report submitted by the secretariat at its seventy-fifth session in July 2012.
27. The recommended salary scale for the Rome-based organizations was 9.20 per cent lower than the current scale. As a result, the interim adjustment of 1.9 per cent due in November 2011, which, in accordance with the methodology, was suspended pending the completion of the survey, would not be granted.
28. As part of the 2012 Rome General Service salary survey, a review of the separation payments scheme was undertaken. Based on a comparison of the internal and external separation payments schemes conducted by FAO, with the assistance of a consultant, it appeared that the internal scheme produced more generous benefits. The Commission was unanimous that since the Rome based organizations had instituted the separation payments scheme on the basis of local practice, the provisions of the internal and external schemes should be harmonized to the extent possible. While some difference between the internal and external schemes was unavoidable, the internal scheme should provide benefits comparable to the national scheme.

29. During the data collection phase, information was also gathered from the surveyed employers relating to their practices with regard to a service differential. The employers were asked whether they provided financial compensation to staff members assigned to regularly scheduled tours of duty exceeding the total hours of the established work week. The present survey showed that the local practice amongst the surveyed employers was to compensate for hours worked beyond the normal established work hours primarily through overtime payments though some employers provided a combination of compensatory time off and overtime payments. Since the Rome-based organizations had ceased the practice of treating the service differential as a pensionable element following a request from the Pension Fund, a situation had arisen where staff in receipt of a service differential were compensated for the extra hours worked on the basis of the normal hourly rate of pay (which was no longer pensionable) while other staff members in receipt of overtime were compensated at a higher hourly rate of pay. The Commission agreed that under the circumstances it was difficult to justify maintaining the service differential modality.

30. The ICSC, after having heard the views of the representatives of the administration and the staff of the Rome-based organizations, decided on the basis of the result of the survey:

- To use the data for all 18 surveyed employers and all surveyed jobs except jobs 18 and 19;
- To approve the treatment of the cash and non-cash benefits and allowances added to salary and benefits not quantified as proposed by the secretariat;
- To approve the procedure for netting down outside gross salaries;
- To exclude the data from IFAD in the analysis and to encourage IFAD to implement the resulting salary scale;
- That the presently used interim adjustment indices should continue to be applied;
- To recommend that the provisions of the internal and external separation payments schemes for the General Service and locally recruited staff in Rome be harmonized to the extent possible;
- To recommend discontinuing the service differential modality for hours worked in excess of the normally scheduled work hours and to align the compensation for such hours with existing overtime and compensatory time regulations in the Rome-based organizations;
- To recommend, as of the date of promulgation by the organizations, the revised salary scale for the General Service category of the Rome-based organizations;
- To recommend, as of the date of promulgation by the organizations, the following revised levels of dependency allowances:
 - Dependent spouse allowance: Euro 546 net per annum;
 - Child allowance: Euro 1,248 net per annum;
 - Secondary dependant allowance: Euro 258 net per annum.

31. It is proposed that the revised salary scale be implemented with an effective date of 1 January 2013 with respect to staff recruited on or after that date. For staff already on board the current salary scale, which came into effect in November 2010, would be frozen until such time as the gap between the two salary scales would be closed.

32. The notional savings as a result of the implementation of the recommended salary scale for the Rome-based organizations are estimated at approximately USD 7.8 million at the April 2012 United Nations rate of exchange. However, as the recommended salary scale should be implemented only with respect to new recruits, there would be no immediate reduction in costs.

33. The savings generated against the Regular Programme Budget arising from the freeze in the salary scale are estimated at approximately USD 1.3 million during 2012-13. These will be reported as part of the staff cost variance within the analysis of the overall budgetary outturn in the Annual Report on Budgetary Performance to be presented to the March 2013 Session of the Finance Committee.

34. In accordance with the General Rules of the Organization (ref. G.R. XXVII.7(r) and XXXIX.2), the Director-General hereby refers the recommendations of the ICSC, including the proposed implementation date of 1 January 2013 of the revised salary scale, through the Finance Committee to the Council.



United Nations

Report of the International Civil Service Commission for 2012

**General Assembly
Official Records
Sixty-seventh Session
Supplement No. 30**



Chapter V

Conditions of service of the General Service and other locally recruited categories of staff

Surveys of best prevailing conditions of employment at Rome (including the service differential)

170. On the basis of the methodology for surveys of best prevailing conditions of employment of the General Service and other locally recruited staff at headquarters and similar duty stations (Survey Methodology I), ICSC conducted a survey in Rome, with a reference date of April 2012. The new salary scale for the General Service category of the organizations of the common system in Rome, as recommended by the Commission to the executive heads of the Rome-based organizations, is reproduced in annex X to the present report. In addition to a new salary scale, the Commission also recommended revised rates for dependency allowances, determined on the basis of tax abatements, legislated payments and the surveyed employer-specific payments.

171. The recommended salary scale for the Rome-based organizations shown in annex X is 9.20 per cent lower than the current scale. As a result, the interim adjustment of 1.9 per cent due in November 2011, which, in accordance with the methodology, was suspended pending the completion of the survey, will not be granted.

172. As may be noted from the recommended salary scale for the General Service category of staff in the Rome-based organizations, the annual net salary at the highest point in this scale, GS-7/XII, is €72,587, or \$96,397 at the April 2012 United Nations rate of exchange of €0.753 per \$1. As at 1 April 2012, this net remuneration (net base salary plus post adjustment) was around the P-3/III level at the single rate.

173. The notional savings as a result of the implementation of the recommended salary scale are estimated at approximately \$7.8 million at the April 2012 United Nations rate of exchange. However, as the recommended salary scale is expected to be implemented only with respect to staff recruited on or after the date of promulgation by the Rome-based organizations, there are no immediate savings associated with the Commission's recommendations on the revised salary scale and dependency allowances, with eventual savings realized as new staff are recruited.

174. The Rome-based organizations had also provided a pensionable service differential to staff who were regularly required to work beyond the regular established hours in the duty station. Since 2010, upon a decision of the Pension Fund that the practice was in violation of article 54 (a) of the Fund's regulations, they had ceased the practice of treating the differential as a pensionable element of remuneration. The matter had been brought to the attention of the Commission at its seventy-second session when the Commission decided to review the issue at the time of the next survey of best prevailing conditions of service in Rome (A/66/30, para. 78).

175. The present survey showed that the local practice among the surveyed employers was to compensate for the hours worked beyond the normal established work hours primarily through overtime payments, although some employers

provided a combination of compensatory time off and overtime payments. In addition, since the Rome-based organizations had ceased the practice of treating the service differential as a pensionable element, a situation had arisen where staff in receipt of a service differential were compensated for the extra hours worked on a basis of the normal hourly rate of pay (which was no longer pensionable), while other staff members in receipt of overtime were compensated at a higher hourly rate of pay. The Commission agreed that under the circumstances it was difficult to justify maintaining the service differential modality. It decided to recommend discontinuance of the service differential modality and to align the compensation for hours worked in excess of the normally scheduled hours with existing overtime regulations in the Rome-based organizations.

Annex X

Recommended net salary scale for staff in the General Service and other locally recruited categories in Rome

(Euros per annum)

Survey reference month: April 2012

<i>Grade/step</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>	<i>IX</i>	<i>X</i>	<i>XI</i>	<i>XII</i>	<i>XIII</i>	<i>XIV</i>	<i>XV</i>
G-1	27 319	28 128	28 937	29 746	30 555	31 364	32 173	32 982	33 791	34 600	35 409	36 218	37 027	37 836	38 645
G-2	28 959	29 943	30 927	31 911	32 895	33 879	34 863	35 847	36 831	37 815	38 799	39 783	40 767	41 751	42 735
G-3	30 984	32 165	33 346	34 527	35 708	36 889	38 070	39 251	40 432	41 613	42 794	43 975	45 156	46 337	47 518
G-4	33 778	35 159	36 540	37 921	39 302	40 683	42 064	43 445	44 826	46 207	47 588	48 969	50 350	51 731	53 112
G-5	37 480	39 070	40 660	42 250	43 840	45 430	47 020	48 610	50 200	51 790	53 380	54 970	56 560	58 150	59 740
G-6	43 114	44 923	46 732	48 541	50 350	52 159	53 968	55 777	57 586	59 395	61 204	63 013	64 822	66 631	68 440
G-7	49 575	51 667	53 759	55 851	57 943	60 035	62 127	64 219	66 311	68 403	70 495	72 587			

