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FINANCE COMMITTEE

Hundred and Thirteenth Session

Rome, 8 – 12 May 2006

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

1. The purpose of this paper is to report on the decisions of the United Nations General Assembly (UNGA) at its 60th session (2005), which considered the annual reports of the International Civil Service Commission (ICSC) and of the United Nations Joint Staff Pension Board (UNJSPB) for 2005, and to inform the Committee on recent developments of the conditions of service of staff in the Professional and higher categories and General Service staff.

I. International Civil Service Commission (ICSC)

A. UNITED NATIONS COMMON SYSTEM

2. The General Assembly at its sixty-ninth plenary meeting of the sixtieth session adopted resolution 60/248 on special subjects relating to the proposed programme budget for the biennium 2006-2007, in Part XI of which it, *inter alia*, decided to approve a new scale of staff assessment for Professional and higher categories effective 1 January 2006, as recommended by the International Civil Service Commission (ICSC) in its report (A/60/30, Annex VI).

3. The new scale of staff assessment addresses the imbalances in Tax Equalization Fund. The adjustments in the scale lowers the gross salaries of the current salary scale but have no impact on net salaries.

4. At the same plenary meeting, the General Assembly adopted decision 60/544 in which it decided to defer to its resumed sixtieth session consideration of several other agenda items relating to the United Nations Common System, including:

- Report of the international Civil Service Commission for the year 2005;

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- Report of the Secretary-General on the administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for 2005;
- Report of the Advisory Committee on Administrative and Budgetary Questions;
- Report of the Secretary-General on new contractual arrangements;
- Note by the Secretary-General on the Senior Management Network;
- Report of the International Civil Service Commission for 2004;
- Note by the Secretariat transmitting the report of the Panel on the Strengthening of the International Civil Service.

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

Pensionable remuneration

5. In accordance with article 54 (b) of the regulation 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 2005, the Chairman of the ICSC announced a 3.80 percent 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 US\$ 1.2 million for the year 2006.

Impact of decision of General Assembly on post adjustment up to February 2006

6. The levels for the Rome post adjustment classification, showing the fluctuation of the post adjustment multiplier relative changes in the rate of exchange were announced by the ICSC from February 2005 to February 2006 are indicated in the table below. In June 2005, however, the post adjustment multiplier of 46.4, approved by the ICSC at the operational rate of exchange of Euro 0.830, reflected also a rise in the local cost-of-living which had occurred during the last twelve months.

TABLE 1

Cost-of-living		Post Adjustment (Applying 4-month waiting period)			
Month	Index ¹	Month	Euro/Dollar Exchange Rate	Index	Multiplier
Oct.2004	110.0	Feb. 2005	0.765	148.9	48.9
Nov.2004	110.0	Mar. 2005	0.757	150.4	50.4
Dec. 2004	110.0	Apr.2005	0.771	147.9	47.9
Jan. 2005	110.0	May 2005	0.773	147.6	47.6
Feb.2005	110.4	June 2005	0.830	146.4	46.4
Mar. 2005	110.8	July 2005	0.829	146.6	46.6
Apr. 2005	111.4	Aug. 2005	0.827	146.9	46.9
May 2005	111.4	Sep.2005	0.820	148.0	48.0
June 2005	111.7	Oct. 2005	0.832	146.1	46.1
July 2005	111.6	Nov. 2005	0.855	142.6	42.6
Aug. 2005	111.6	Dec. 2005	0.850	143.3	43.3
Sep. 2005	112.2	Jan. 2006	0.845	144.1	44.1
Oct. 2005	112.5	Feb. 2006	0.827	146.9	48.9

Rome cost-of-living survey

7. A comprehensive place-to-place cost-of-living survey was carried out by the secretariat of the ICSC in Rome, in October 2005. The survey covered price data collection and index calculations for a basket of goods and services including housing and domestic service costs.

8. The relevant report prepared by the secretariat of the ICSC was reviewed by the Advisory Committee on Post Adjustment Questions (ACPAQ) in January 2006 and shall be submitted to the ICSC for final approval. The result, together with the relating financial implications, will be duly communicated to the Finance Committee at its next session.

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

The Rome salary Survey, November 2005

9. The International Civil Service Commission, under article 12.1 of its statute, had scheduled a comprehensive survey of best prevailing conditions of employment in Rome to be undertaken in November 2005. The data collection was finalized in February 2006 and the ICSC secretariat shall submit a report to the ICSC at its spring session for review and decision. The final result, together with the relating financial implications, will be referred to the Finance Committee at its next session.

¹ Index of cost-of-living for international officials in Rome. Please note that the index has been re-based effective 1 October 2000, date of the last cost-of-living survey

II. United Nations Joint Staff Pension Board (UNJSPB)

10. The Governing Board of the United Nations Joint Staff Pension Fund (UNJSPF) meets once every two years. The outcome of its last meeting, held in Montreal in 2004, was presented to the 110th Finance Committee in 2005. The next meeting of the Board is scheduled to take place from 13 through 21 July 2006 in Nairobi, Kenya. The Finance Committee will be briefed on the discussions and recommendations of the Board Session in its upcoming meeting in September 2006.