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Chair: Mr. Mavroyiannis. (Cyprus)
*Vice-Chair of the Advisory Committee on Administrative
and Budgetary Questions:* Ms. Maciel

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The meeting was called to order at 10.05 a.m.

Agenda item 142: United Nations common system
([A/74/7/Add.7](#) and [A/74/30](#); [A/C.5/74/2](#))

1. **Mr. Djacta** (Chair of the International Civil Service Commission), introducing the report of the International Civil Service Commission (ICSC) for the year 2019 ([A/74/30](#)), said that, pursuant to article 11 of its statute, the Commission continued to keep under review the operation of the post adjustment system. In that context, it had considered the report of the Advisory Committee on Post Adjustment Questions, which contained recommendations regarding a range of technical questions pertaining to the ongoing comprehensive review of the methodology underpinning the post adjustment system, including proposals for refinement of the post adjustment index methodology by a task force established by ICSC in 2018. The Commission had invited the Advisory Committee on Post Adjustment Questions to continue with the review of the methodology, in preparation for the next round of cost-of-living surveys. In addition, ICSC had established a working group on the operational rules of the post adjustment system, which had met twice to date.

2. Adjustments to the unified base/floor salary scale were made on the basis of a comparison of the net base salaries of United Nations officials with those of their counterparts in the United States federal civil service. In order to reflect the combined effect of the movement of gross salaries under the General Schedule and tax changes in the United States of America and to maintain the common system salaries in line with those of the comparator, ICSC recommended an increase of 1.21 per cent in the base/floor salary scale with effect from 1 January 2020. The increase would be implemented by commensurately decreasing post adjustment multiplier points, resulting in no-loss/no-gain in net take-home pay.

3. Under a standing mandate from the General Assembly, ICSC had continued to monitor the net remuneration margin, which was the relative difference between the net remuneration of United Nations staff in the Professional category in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C. On the basis of the latest available statistics, the net remuneration margin for 2019 was 113.4.

4. With regard to the education grant, ICSC had reviewed the sliding scale and the lump sum, based on the approved methodology for tracking tuition and boarding fee movements at selected schools. For the sliding reimbursement scale, tuition fee data had been

collected at the primary and secondary education levels from 29 representative schools. The weighted average rate of tuition fee movements over a period of five years amounted to 15 per cent. The Commission recommended that each bracket of the sliding scale be adjusted by that percentage to reflect the tuition increases over the review period and to preserve the scale structure. The average boarding fees at 30 International Baccalaureate schools selected for the current lump sum had been found to have increased by 5.3 per cent over the previous five years; accordingly, ICSC recommended an adjustment of the lump sum by that percentage.

5. ICSC had reviewed the levels of the hardship allowance, the non-family service allowance, relocation shipments and the mobility incentive. With respect to the hardship allowance, ICSC had decided to grant a 2 per cent increase in the allowance effective 1 January 2020, owing to the movement of the base/floor salary scale. Regarding the non-family service allowance, it had decided that the current levels should remain unchanged. Following a review of actual costs for relocation shipments, ICSC had decided that the current ceiling for relocation shipment-related payments should be maintained. Lastly, in accordance with the adjustment methodology approved by the Commission, and on the basis of the latest available staff data from the United Nations System Chief Executives Board for Coordination, the weighted monthly average base salary of staff in the Professional and higher categories had been used to review the level of the mobility incentive. The review had resulted in a slight increase in the mobility incentive.

6. The contact group established for the purpose of reviewing the consultative process and working arrangements in the Commission had identified the need for improved communication and increased transparency with staff and other stakeholders. ICSC was therefore requesting an additional post of Communications Officer at the P-4 level. The financial implications were set out in the report.

7. Regarding the judgments of the Administrative Tribunal of the International Labour Organization (ILO) on the implementation of the post adjustment results following the 2016 round of place-to-place surveys in Geneva, he noted that the Tribunal had concluded that ICSC did not have power to decide, itself, the amounts of post adjustments and could only make recommendations and not decide on amounts, and that the General Assembly had to approve any changes to post adjustment levels of duty stations. However, article 11 (c) of the ICSC statute stipulated that "The Commission shall establish: ... the classification of duty stations for the

purpose of applying post adjustments.” The judgments had placed the Commission in a difficult position with regard to the management of the post adjustment system, which was an essential element of the maintenance of the common system. The Assembly should therefore clarify the authority of ICSC in that area as soon as possible.

8. ICSC was also reviewing salary survey methodologies for General Service staff and the possible use of external data; the differences between the organizations of the common system; and the issue of parental leave.

9. **Mr. Huisman** (Director, Programme Planning and Budget Division), introducing the statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly on the administrative and financial implications of the decisions and recommendations contained in the report of ICSC for the year 2019 (A/C.5/74/2), said that the recommendations and decisions of the Commission with financial implications related to the increase of the base/floor salary scale, which would affect separation payments; the adjustment of the sliding reimbursement scale for the education grant and the increase of the boarding lump sum; the increase in the hardship allowance; and the increase in the mobility incentive.

10. The financial implications of those recommendations and decisions for the proposed programme budget of the United Nations for the year 2020 were estimated at \$2,188,700. There would be no financial implications for the programme budget for the biennium 2018–2019. Should the General Assembly approve the Commission’s recommendations, the requirements for the year 2020 would be taken into account in the context of the report of the Secretary-General on the revised estimates: effect of changes in rates of exchange and inflation for the period.

11. **Ms. Maciel** (Vice-Chair of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/74/7/Add.7), said that the system-wide financial implications of the decisions and recommendations of ICSC regarding the base/floor salary scale, the education grant, the hardship allowance and the mobility incentive were estimated at \$13,290,000 per annum. Of that amount, \$2,188,700 pertained to the Secretariat for the proposed programme budget for 2020 and would be taken into account in the context of the revised estimates. An amount of \$3,997,800 pertained to peacekeeping operations, to be taken into account in the context of the related performance reports and proposed budgets. The annual report of ICSC for the year 2019 did not entail any

financial implications for the programme budget for the biennium 2018–2019.

12. The Advisory Committee recommended that the General Assembly take note of paragraph 16 of the statement submitted by the Secretary-General (A/C.5/74/2). Should the Assembly approve the Commission’s recommendations, the requirements for 2020 would be taken into account in the context of the revised estimates: effect of changes in rates of exchange and inflation for the period; the requirements for the budgets for peacekeeping operations would be addressed in the context of the performance reports for 2019/20 and the upcoming proposed budgets for 2020/21.

13. **The Chair**, in accordance with General Assembly resolution 35/213, invited a representative of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) to make a statement. He also invited a representative of the Federation of International Civil Servants’ Associations (FICSA) to make a statement.

14. **Ms. Nemeth** (Coordinating Committee for International Staff Unions and Associations of the United Nations System) said that, on the issue of parental leave, CCISUA supported the creation of a working group to examine proposals aimed at closing the gender gap, bringing the United Nations common system into line with modern social expectations, enabling both parents to bond with their children and addressing gender discrimination in the hiring process. The working group should also examine the issue of caring for children with disabilities and elderly parents.

15. With regard to the education grant, CCISUA supported the recommendation to revise the sliding reimbursement scale, based on the approved methodology, to reflect current realities. CCISUA was also supportive of the ongoing reviews of local salary survey methodologies and post adjustment issues. Competitive compensation packages for both locally and internationally recruited staff were important to enable organizations to recruit and retain talented individuals.

16. Given that United Nations staff were serving in ever more challenging places, CCISUA supported the proposed increase in the hardship allowance, which reflected prevailing wage movements. However, the practice of linking the amount of the allowance to a staff member’s grade should be reviewed. The level of hardship endured by junior staff, most of whom were women and/or nationals of developing countries, was no less than that endured by more senior officials. CCISUA also supported the revision of the mobility incentive.

17. In July 2019, the ILO Administrative Tribunal had ruled as illegal the 5.2 per cent pay cut imposed by ICSC on staff in Geneva. The specialized agencies subject to the jurisdiction of the Tribunal had implemented the ruling and reversed the pay cut, resulting in a situation whereby there were two different post adjustment rates in the same duty station, with United Nations staff paid 5.2 per cent less for doing the same work. There should be a single post adjustment rate for all staff in Geneva.

18. CCISUA supported the Commission's efforts to promote diversity at the United Nations. Any diversity policies introduced should be aligned with the provisions of Articles 8 and 101 of the Charter of the United Nations. Discussions had taken place between staff federations, organizations and ICSC on how to improve the consultative process. CCISUA welcomed the consensual approach of the Chair of the Commission and looked forward to further discussions and improvements.

19. **Mr. Fitzgerald** (Federation of International Civil Servants' Associations) said that staff expected ICSC, as the body entrusted with the responsibility of regulating the conditions of service of the United Nations common system, to respect the judgments handed down by the various tribunals with jurisdiction over the organizations of the common system. If ICSC failed to do so, staff would have no alternative but to turn to national courts. The Commission's *raison d'être* was to ensure a common system that precluded competition among organizations, avoided discrepancies in conditions of employment and guaranteed fairness for staff. The common system had been established to remove the barriers between organizations and to bring them all up to the same standards, in order to facilitate staff mobility and career development.

20. It was disappointing that the General Assembly had not approved the Commission's proposals regarding the establishment of an end-of-service grant and the level of allowances for children and secondary dependants. The financial implications of the Commission's most recent decisions and recommendations, as contained in its report for the year 2019, were relatively minimal and should be viewed within the context of the significant savings achieved elsewhere, for instance as part of the comprehensive review of the common system compensation package.

21. FICSA had been actively involved in the review of the methodology and operational rules underpinning the post adjustment system. At that time, its understanding had been that the margin of error associated with cost-of-living exercises could exceed the 5 per cent gap closure measure applied by ICSC to mitigate the

negative impact on salaries of the results of cost-of-living surveys that were significantly lower than the prevailing pay indices. However, ICSC had subsequently eliminated the gap closure measure altogether, before reinstating it at 3 per cent. As noted in Judgment No. 4135 of the ILO Administrative Tribunal, ICSC had provided no statistical, mathematical, methodological or other explanation for the reduction. Had it maintained the gap closure measure at 5 per cent, the strain in relations between the Commission and staff could have been avoided and a tremendous amount of time and resources saved. The 5 per cent gap closure measure should be reinstated to protect staff salaries against sharp decreases resulting from a single negative cost-of-living survey.

22. He called for Member States to pay their contributions in full and on time in order to ensure that United Nations staff could continue to do their utmost to make sure that the Organization met the expectations of the people it served.

23. **Mr. Katkhuda** (Observer for the State of Palestine), speaking on behalf of the Group of 77 and China, said that the Group was committed to ensuring a single, unified United Nations common system. As the entity responsible for regulating and coordinating conditions of service, ICSC had a crucial role to play in that regard. A total of 16 organizations had accepted the statute of the Commission. Together with the participation of the United Nations itself and its funds and programmes, there were 28 organizations, agencies, funds and programmes that cooperated closely with ICSC and applied the provisions of its statute. As the guardian of the common system, ICSC must be provided with strong support. It was imperative to maintain a harmonized and consistent common system.

24. ILO Administrative Tribunal judgments Nos. 4134 to 4138 threatened the very existence of the common system in its current form. The Group was perplexed that the Tribunal had concluded that ICSC did not have the power to decide, itself, the amounts of post adjustments to be attributed to duty stations such as Geneva. From its inception in 1975, ICSC had established the post adjustment multipliers for duty stations worldwide, in accordance with articles 10 and 11 of its statute. The Group's position was that ICSC continued to have a mandate, under article 11 of its statute, to establish post adjustment multipliers.

25. The Group valued the work of the task force on post adjustment, the Advisory Committee on Post Adjustment Questions and the various working groups, which were developing constructive proposals on issues related to the common system. Enhanced consultations

with stakeholders were extremely important and should form an essential part of the Commission's decision-making process. Although ICSC was answerable only to the General Assembly, its policies and decisions were more sustainable and effective when they had the buy-in of organizations and staff. ICSC should make more effort to communicate with staff, clarify its methodologies and practices, reach out to stakeholders, identify concerns well in advance and explore policy solutions in a collective manner.

26. The Group had taken note of the efforts being made by organizations to introduce policies on gender equality and disability aimed at enhancing diversity in the common system. There was also a need to ensure equitable geographical representation system-wide. The Group looked forward to receiving in 2020 a comprehensive ICSC report on the geographical diversity of the workforce.

27. **Mr. Mmalane** (Botswana), speaking on behalf of the Group of African States, said that the Group supported ICSC in its role of shaping staff welfare and human resources management policies. ICSC was responsible for regulating and coordinating conditions of service and entitlements in line with best practices, to ensure the predictability, stability and transparency of staff remuneration. The Group's position was that ICSC continued to have a mandate, under article 11 (c) of its statute, to establish post adjustment multipliers.

28. It was regrettable that the General Assembly had not approved the Commission's proposals on allowances for children and secondary dependents and the establishment of an end-of-service grant. Given that the Organization had a duty of care, the Assembly should examine ICSC proposals objectively.

29. The Group welcomed the Commission's decision to grant an increase in the hardship allowance, which would promote the retention of highly qualified personnel, facilitate staff mobility and contribute to strategic workforce planning. The Group would examine and seek to better understand the Commission's decisions and recommendations regarding the mobility incentive, the non-family service allowance, the boarding lump sum and the base/floor salary scale.

30. Strategic, concerted and sustained efforts were needed to address the long-standing imbalance in geographical representation. The Group looked forward to receiving a comprehensive report on that issue from the Commission in 2020.

31. **Ms. Brink** (Australia), speaking also on behalf of Canada and New Zealand, said that the three delegations

attached great importance to the common system, including the principle of equivalent compensation for similar work. They valued the work of ICSC, which played an essential role in enhancing the effective functioning of the organizations of the common system.

32. The ILO Administrative Tribunal judgments had called into question the legality of the process used by ICSC to determine the amounts of post adjustments worldwide for over 20 years. The judgments had sown confusion regarding the legality of the 2010 round of place-to-place surveys in Geneva and had resulted in an untenable situation whereby there were two pay scales in the same duty station. The Universal Postal Union had recently agreed to implement the judgments even though it was not subject to the jurisdiction of the Tribunal.

33. While the three delegations respected the rule of law and the judgments of United Nations tribunals, they were concerned about the implications of the ILO Administrative Tribunal judgments for the wider common system. Member States must urgently consider how to tackle such challenges and restore the confidence of staff and organizations in both the common system and ICSC itself.

34. Australia, Canada and New Zealand would continue to work with other Member States to ensure that the common system was preserved and to reconfirm and clarify the authority of ICSC to determine the amounts of post adjustments. In addition, the three delegations would consider carefully the recommendations contained in the Commission's report for 2019.

35. **Mr. De Preter** (Observer for the European Union), speaking also on behalf of the candidate countries Albania, Montenegro, North Macedonia, Serbia and Turkey; the stabilization and association process country Bosnia and Herzegovina; and, in addition, Georgia, the Republic of Moldova and Ukraine, said that ICSC played an essential role in ensuring the effective functioning of the United Nations common system. The European Union attached great importance to the principle of equal treatment for equal work for staff of the common system, and welcomed the Commission's efforts to refine the post adjustment methodology and improve communication with common system organizations and staff members.

36. However, the common system faced an unprecedented challenge in the light of the recent judgments of the ILO Administrative Tribunal, which questioned the legality of the process used by ICSC to determine the amounts of post adjustment. The current situation was untenable and a sustainable remedy must

be found. The European Union supported the Commission's authority to determine post adjustment matters.

37. The current fragmentation of the post adjustment system was unfair and unacceptable. The differences in treatment among United Nations civil servants performing equivalent functions for different common system organizations at the same duty station must be resolved in order to create a level playing field once more.

38. The European Union looked forward to resolving the current problem in a collective manner with a view to safeguarding the Commission's mandate to develop and implement consistent policies and common standards. The European Union would explore all legal options for preserving the consistency of the common system and ensuring that the principle of equal pay for equal work continued in the future, consistent with the regulatory framework and practices that had governed the common system to date. All common system organizations must adopt a joint approach regarding the authority of ICSC.

39. **Mr. Favre** (Switzerland), speaking also on behalf of Liechtenstein, said that a unified common system was of crucial importance for the effective functioning of the United Nations system. The common system had been formed in order to provide a level playing field for employees, to foster coherence, fairness and staff mobility, and to promote interinstitutional expertise-sharing. All Member States had an interest in ensuring that the United Nations acted as one.

40. He was concerned about the fragmentation of the common system as a result of the ILO Administrative Tribunal judgments, which had led to different rates of pay within the same duty station. While Liechtenstein and Switzerland supported the principle of judicial independence, they did not agree with the Tribunal's conclusions. The current goal should be to clarify the role and mandate of ICSC and to promote the effective implementation of matters under its purview throughout the common system. Member States must act unanimously, decisively and swiftly to reaffirm the Commission's authority to continue establishing post adjustment multipliers, in accordance with article 11 (c) of its statute. Although other challenges also needed to be addressed, such as the existence of two concurrent independent administrative tribunals among the organizations of the common system, the most urgent task was to re-establish the authority of ICSC.

41. The two delegations would examine carefully the Commission's recommendations regarding the base/floor salary scale, the education grant, the hardship

allowance and the mobility incentive. Those issues should be addressed separately from the question of the ILO Administrative Tribunal judgments.

42. **Ms. Norman-Chalet** (United States of America) said that the General Assembly at its seventy-second session had spoken clearly and unanimously in support of ICSC by urging all common system organizations to implement the revised post adjustment rates set by the Commission. Since its inception in 1975, ICSC, supported by the Assembly, had established post adjustment multipliers and worked to uphold the principle of ensuring equivalent compensation for similar work across the United Nations system. Following the 2016 round of place-to-place surveys, questions had been raised about whether the Commission's decision regarding the post adjustment level for Geneva-based staff was correct, credible or even lawful.

43. Her delegation supported the work of ICSC in consistently applying methodology to ensure common system coherence and make sure that staff compensation was streamlined, simplified, modern and fair. While there was always room for improvement in terms of standardizing methodology data, no complaints about the ICSC methodology had been voiced prior to the downward adjustment. The same methodology that had resulted in upward adjustments in previous years could not be deemed erroneous when it resulted in a downward adjustment.

44. Her delegation had been surprised and disappointed to learn that ICSC had not been consulted by or asked to appear before the ILO Administrative Tribunal. The judgments ignored the intent behind General Assembly resolution [72/255](#) on the United Nations common system and had essentially created two pay systems for one duty station. Hundreds more Geneva-based staff members were awaiting a decision from the United Nations Dispute Tribunal.

45. Her delegation welcomed the opportunity for the General Assembly, as the creator and guarantor of the United Nations common system, to speak on the issue of post adjustment. She trusted that productive discussions would lead to the adoption of another strong and unanimous resolution that would provide guidance to ICSC and others. Her delegation also looked forward to finding a solution to the challenge of having two judicial systems within the United Nations system, in the interests of ensuring a strong, fair and harmonious common system.

46. **Mr. Velázquez Castillo** (Mexico) said that he had taken note of the Commission's decisions and recommendations regarding the base/floor salary scale,

the education grant, the hardship allowance and the mobility incentive, some of which had financial implications. His delegation would examine the proposals carefully to assess their impact on the common system and the regular and peacekeeping budgets of the Organization.

47. The United Nations common system provided administrative certainty and unity. His delegation valued the work of ICSC, which contributed to the effective functioning of the United Nations by creating a shared vision and regulating conditions of service.

48. The recent judgments of the ILO Administrative Tribunal posed a serious threat to the common system by calling into question the authority of ICSC and contradicting the will of the General Assembly. Moreover, they had fuelled mistrust of the Commission's recommendations and created uncertainty and instability within the common system by challenging the methodology used by ICSC, by effectively creating two different pay scales in the same duty station and by ignoring the authority of the Assembly. Effective and timely action must be taken to prevent further weakening or fragmentation of the common system. To that end, the role and mandate of ICSC must be strengthened.

49. **Mr. Rong Sicai** (China) said that his delegation supported the work of ICSC and trusted that it would continue to coordinate and regulate the conditions of service and entitlements of all staff of the common system, in accordance with the Commission's statute and mandate, as set out in various General Assembly resolutions.

50. His delegation was concerned about the difficulties faced by ICSC in fulfilling its mandate, in particular with regard to the establishment of post adjustment multipliers for duty stations worldwide, which presented a challenge to the maintenance of a unified common system. The judgments of the ILO Administrative Tribunal had led to Geneva-based organizations paying their staff members different amounts of post adjustment, which harmed the integrity of the common system. His delegation would work with all Member States and ICSC to seek an effective solution to the current crisis.

51. **Mr. Wakabayashi** (Japan) said that his delegation fully supported the *raison d'être* of the common system. The application of common standards, methods and arrangements to staff salaries, allowances and benefits ensured that discrepancies in conditions of employment could be avoided, precluded competition among common system organizations in the recruitment of personnel and facilitated staff mobility. In order for

stakeholders to maintain confidence in the common system, it must remain fair and sustainable through continuous review. Changes in the cost of living must be reflected. In that connection, ICSC played a key role by reviewing the common system and providing guidance to organizations.

52. His delegation was concerned about the implications of the judgments of the ILO Administrative Tribunal for the consistency and stability of the common system. The General Assembly should address the issue. His delegation would engage constructively in the discussions with a view to upholding the stability and effective functioning of the common system and reaching a consensus in a timely manner.

53. With regard to the Commission's recommendations on staff salaries and allowances, his delegation would examine closely the rationale and justification for any additional resource requirements, given that the remuneration of United Nations staff was funded by Member States.

54. **Mr. Kalugin** (Russian Federation) said that his delegation fully supported the work of ICSC and endorsed all its recommendations and decisions, including those – on the base/floor salary scale, education grant, hardship allowance and mobility incentive – that had financial implications. The integrity and unity of the United Nations common system and the Commission's central role in regulating the conditions of service for staff of the common system faced an unprecedented challenge in the light of the recent judgments of the ILO Administrative Tribunal setting aside the implementation of the Commission's decisions on post adjustment multipliers for Geneva. His delegation shared the view that the Tribunal's interpretation of the ICSC statute and of the facts of the matter was incorrect. Contrary to what was stated in the judgments, it was post adjustment, not salaries, that had been reduced, and that had led in turn to a drop in net remuneration.

55. While the Tribunal had the right to defend its authority where judgments on disputes between organizations and their staff were concerned, it must also respect the authority of other bodies of the common system, first and foremost, the General Assembly and its subsidiary organ, ICSC, particularly where those bodies were affected by its judgments. The Tribunal had no mandate to interpret the division of authority between the General Assembly and the Commission. Moreover, the Commission's monthly decisions on the level of post adjustment for the different duty stations could not be interpreted as violating the Assembly's prerogatives.

56. The Tribunal had stated that the methodology for calculating remuneration must ensure that the results were stable, predictable and clearly understood or transparent; that did not mean, however, that remuneration must always increase. While technical changes had been made to the methodology, all such changes had been agreed during the Commission's consultative process with the organizations.

57. During the deliberations on the draft resolution on the common system, it would be important to fully reaffirm the prerogatives of ICSC. His delegation was deeply disappointed that the Chair of ICSC had not awaited the decision of the General Assembly and the judgment of the United Nations Dispute Tribunal before presenting alternative post adjustment data to the Geneva-based organizations; a number of Commission members had opposed that step. There was now significant variation in the remuneration of Geneva-based international staff serving at organizations under the jurisdiction of different tribunals; that ran counter to the principles of the common system and undermined its proper functioning.

58. **Mr. Lyu Gunjung** (Republic of Korea) said that his delegation was concerned about the undermining of the United Nations common system as a result of the judgments handed down by the ILO Administrative Tribunal. It was of critical importance that Member States discussed the matter during the main part of the current session in a spirit of cooperation, with a view to taking appropriate and timely action to restore the common system as soon as possible. Doing so was in the interests of all Member States and the United Nations system.

The meeting rose at 11.10 a.m.