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From: General Secretary

REPORT OF THE FEDERATION OF INTERNATIONAL CIVIL SERVANTS' ASSOCIATIONS (FICSA) ON THE 100TH SESSION OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (ICSC) (UPU, Bern, 28 July to 8 August 2025) [Restricted/Confidential]

Submitted by FICSA Information Officer, President and Member for Compensation Issues.

Dear colleagues,

The report of the 100th Session of the ICSC was published on 29th September. Since this file, ICSC/100/R.18, is restricted, if any Heads of Delegations would like to have a copy of the report, please write to FICSA at ficsa@un.org

The ICSC had also just published this week its annual report for 2025, document A/80/30 https://docs.un.org/a/80/30 which is a publicly available document.

A brief summary of what happened at the 100th ICSC session – important decisions, and what Staff Representatives should be ready for, is provided below. The report is based on the dates/days the agenda item is taken up, which is not in the order of the agenda. For example, ICSC took up agenda items 1 to 4, 7(c) and 7(a) in the first day of the meeting, and so on.

1. **Agenda**

The main items on the agenda of the Commission's 100th session included:

Agenda included:

- Agenda included:
  - Review of the implementation of parental leave framework
  - Report on non-financial incentives
  - Report of Working Groups 2 and 3
  - Noblemaire study – reference check with other international organizations

- Base/floor salary scale / net remuneration margin
- Review of the level of non-family service allowance
- Consistency in the determination of step in grade
- Post adjustment system, including upcoming ACPAQ and parameters of personal transition allowance (PTA)
- Conditions of Service for GS and other locally recruited:
    - Salary Survey of Montreal
    - Salary Survey of Paris
    - Pilot Project

2. FICSA's opening statement

The 100th session opened in Bern with statements from the Universal Postal Union (UPU) and Switzerland as the host country. Both emphasized the UN's role as a fair and attractive employer, balancing staff well-being with financial sustainability, and highlighted Geneva's importance as an international hub dependent on effective HR policies.

During the opening of the session, FICSA delivered its general statement, which has been circulated to the FICSA membership as document FICSA/CIRC/1394 (see **https://ficsa.org/media-center/ficsa-circulars.html?preview=3984**).

3. ICSC agenda item 4: Monitoring of the implementation of decisions and recommendations of the International Civil Service Commission and the General Assembly

ICSC undertakes annual monitoring of the implementation of decisions and recommendations made by both the ICSC itself and the General Assembly. This process is mandated by article 17 of the ICSC statute and involves disseminating questionnaires to United Nations common system organizations to gather relevant information.

With regard to the implementation of the new parental leave framework approved by the Commission in 2022 (A/77/30, para. 92), all organizations had indicated that this has been fully implemented, although some organizations had been providing the entitlements using transitional measures while waiting for approval from their governing bodies. One organization had implemented only six weeks of parental leave for non-birth parents despite the ICSC framework specifying 16 weeks for all parents.

Organizations also reported on the utilization rate, staff/work replacement practices and costs, and most of the organizations agreed that the framework created a more inclusive, family-friendly and enabling work environment. Benefits to organizations included improved staff morale, enhanced organizational image and positive impact on gender equality, whereas benefits to staff included increased bonding time with child, increased work-life balance and opportunity to share childcare responsibility. Challenges for organizations include additional workload and staff for team members and replacement costs for covering the work of staff on parental leave. Challenges for staff included some limited concerns on social stigma if fathers take parental leave, and the flexibility of the new framework. Allowing the leave to be taken in smaller units over 12 months, was noted to help mitigate challenges.

With regards to the amendments to the ICSC statutes as approved by the UN General Assembly – most organizations' governing bodies have accepted the amendments, and work is in progress with FAO's governing bodies.

FICSA's intervention delivered on agenda item 4

"FICSA reiterates the importance of the timely implementation of the decisions and recommendations of the Commission and the General Assembly. In this regard, FICSA urges the Specialized Agencies that have not yet implemented the new framework for parental leave to do so without further delay. Any further delay in adopting such a framework is not acceptable for organizations that claim to promote gender equality in the workplace and beyond. Similarly, FICSA urges all agencies that have not yet done so to accept the amendments to the ICSC Statute, as per Resolution 77/256 A and B."

Decision of the Commission on agenda item 4

The Commission decided to take note of the information provided and inform the General Assembly that all the United Nations organizations which participate in the United Nations common system and have accepted the ICSC statute, have now accepted the revisions to the ICSC statute, as amended by the General Assembly's resolution 77/256 A and B; and reiterate its earlier request (A/79/30, para. 34 (c)) to the organizations that have not yet done so, to implement the new parental leave framework fully without any further delays.

4. ICSC agenda item 7(c): Salary survey methodologies: progress report on the implementation of the pilot project

Following a 2022 review, the General Assembly requested a pilot for the application of external data for local salary surveys. Launched in January 2023 for all duty stations during the eighth survey round until 2028, this pilot aims to test the use of external salary data purchased from vendors in the framework of the Local Salary Surveys. External salary data (ESD) refers to salary information for roles equivalent to General Service and National Professional Officer positions from vendor databases. In the framework of the current methodology, the conventional salary survey, with direct employer participation, remains the default, with external data used primarily when securing employer participation is difficult. ICSC reported that 63% of all surveys completed between April 2024 and March 2025 were completed in the traditional manner of using 100% comparator data, 16% of surveys used data from comparators and ESM, 16% of surveys combined data from comparators with ESD, and 6% used fully ESD.

The pilot project is continuously monitored, with the second status report covering April 2024 to March 2025, providing key insights on the availability and utilisation of data. The Commission also noted that the data collection duration was on average 5.2 months but typically takes about 6 months.
81% of surveys reported no difficulties in securing public sector employer participation, although six surveys experienced challenges, with two ultimately relying solely on external data.
Differences in results between vendors were observed, and future surveys might benefit from using job equivalencies instead of grade equivalencies for more robust analysis of external data.

The flexibility provided by the revised methodology, particularly the option to use external salary data, has proven to be a practical option for reviewing salary levels when employer participation is difficult. Local salary survey committee members are becoming more familiar with external data usage, supported by training and knowledge-sharing. However, the increased duration of data collection and resulting retroactive implementation has created budgetary complications for organisations. The Commission continues to monitor progress and provide guidance as needed.

FICSA's intervention delivered on agenda item 7(c)

"FICSA thanks the ICSC Secretariat for drafting document ICSC/100/R15 on the "Salary survey methodologies: progress report on implementation of the pilot project". FICSA takes note of the progress reported and its articulation along the 9 different indicators. For indicator C, FICSA takes note of the position of the organizations on the retroactive implementation of the survey results and highlights, once more, the importance of a timely date of implementation and of involving staff in any discussion concerning an implementation date different from the customary starting date of the survey. On indicator "I", FICSA notes, with some concern, the difference in results between the same category of jobs among different vendors. At the same time, FICSA agrees with the preliminary analysis of the ICSC Secretariat to avoid making conclusions over such a small data sample.
Based on the above, FICSA looks forward to the continuation of the pilot exercise and stresses once more that any change to the methodology should be discussed only after the end of the pilot project, when enough data samples are collected and analysed."

Decision of the Commission on agenda item 7(c)

The Commission:
a) Took note of the progress report of the pilot review mechanism on the experiences and lessons learned in conducting the pilot project from April 2024 to March 2025;
b) Decided to request the mechanism to continue monitoring the implementation of the pilot project until the end of the round of surveys; and
c) Decided to address, during the next review of the methodologies, the issues already identified by the Commission listed in paragraph 78 above.

5. ICSC agenda item 7(a): Survey of best prevailing conditions of employment in Montreal

The previous survey in Montreal took place in 2013, with the current survey following a schedule approved at the ICSC's ninety-fourth session, including pre-survey consultations in October 2023 and data collection from April to October 2024. The survey was conducted in accordance with Survey Methodology I for headquarters duty stations, which, in the context of the eighth round of surveys (2023-2028), incorporates a pilot project for external salary data.

The local salary survey committee in Montreal faced significant challenges in securing employer participation, managing to interview only a small number of the proposed employers. The primary reason for this difficulty was a recent law prohibiting employers from sharing salary information, which employers cautiously interpreted as preventing participation, despite reassurances from the committee. The retained employers met methodological requirements for employer characteristics, including sector representation.

Due to the inability to secure the required 20 employers, external salary data (ESD) was incorporated into the analysis. As per the methodology and pilot project, external salary data from two vendors was extracted at the seventy-fifth percentile, and data from the vendor showing the highest salary levels was used. Gross salary data from employers and external sources were netted down using Montreal's applicable income tax rates for single taxpayers. Performance bonuses and certain non-cash benefits were also quantified and included. The survey determined that a non-pensionable component was not required, as quantified non-pensionable benefits were well below the threshold.

There is a significant financial implication in implementing the survey results, including the new salary scale and dependency allowances. ICAO, as the coordinating agency, had requested the ICSC to defer consideration of the survey results from the 99th Session to the 100th Session for further

consultation. Upon ICAO's request, the ICSC Secretariat then presented two options for the Commission to explore:

a) Revising the methodology
b) Introducing operational rules

See Annex I on the Operational Rules, finally approved by the ICSC after deliberation.

The Operational Rules in Annex I were approved by the ICSC's 100th Session.

- In the current methodology, the organizations can choose when, and whether or not, to implement ICSC's salary scale since it is a recommendation.
- Paragraph 109 of the methodology reads:

109. Every survey will have a reference date to which the survey data should correspond. The recommended scales based on the survey results would therefore relate to that reference date. The data collected represent the best prevailing salaries at the reference date and, from a technical point of view, would be most appropriately applied as of that same date. However, there may be other reasons for establishing a different effective date, such as for administrative convenience, prior understanding with staff representatives, or financial restrictions. The actual decision with regard to the effective date of the scales is part of the process relating to the implementation of the survey recommendations and rests with the organizations concerned.

- Now with the new operational rules, Organizations must either implement or if they wish to delay implementation in one-year blocks, they have the option to reinstate interim adjustment for that year.
- Depending on each agency's Staff Rules and Regulations, any decisions impacting conditions of service of staff, like a change of salary due to salary surveys, should be subject to meaningful consultation between administration and staff representatives. This includes a decision to activate the Operational Rules and delay implementation of salary survey results.
- If such a decision is imposed on staff unilaterally, please discuss with FICSA how we can support your legal action, i.e., through Legal Defense Funds, or MOU with Legal Advisers etc.
- FICSA is undertaking a legal study on the ICSC's decision to introduce a new operational rules in the middle of the eight round of salary surveys, which means that salary surveys in Group I duty stations that has been completed, for Rome and Kingston for example, is now treated differently than upcoming salary surveys such as Montreal, Paris, London, Paris or Geneva. The same for Group II duty stations in the field from the moment the operational rules were approved onwards.

FICSA's intervention delivered on agenda item 7(a)

"FICSA thanks the ICSC Secretariat for drafting document ICSC/100/ CRP5 on the "Survey of best prevailing conditions of employment in Montreal". FICSA takes note of remarks of the representative of the International Civil Aviation Organization (ICAO), at the 99th Session of the ICSC and of the proposals prepared by the ICSC secretariat, included in document CRP5, to address them. FICSA believes that the current methodology is solid enough and that no changes would be needed to

address issues related to the implementation phase of a specific survey, Montreal in this case. We align with HRN's position to ensure consistency, credibility and fairness.
Changing an agreed-upon methodology midway through its application poses significant risks to the integrity, credibility, and fairness of the entire process. The salary survey methodology is the product of a long, participatory effort involving organizations, ICSC, and staff federations, ensuring that all stakeholders' interests were balanced and the results would be broadly accepted. If one of the parties seeks to alter the methodology, before the agreed revision date, it undermines the principles of consistency, transparency, and trust. Such a precedent could encourage other entities to disregard established rules whenever results are unfavorable, eroding confidence in the system and jeopardizing future cooperative efforts.
As such, FICSA expresses its contrariety to the paragraphs 7 (a) and 7(b) of the document CRP 15."

Decision of the Commission on agenda item 7(a)

In the context of consideration of the Montreal salary survey, the Commission decided to approve with immediate effect for all surveys to be finalized during the eighth round of surveys on the basis of the application of the salary survey methodology (ICSC/94/R.16 and ICSC/94/R.17), the operational rules for implementation of salary survey results as contained in annex I to the present report.

6. ICSC agenda item 7(b): Survey of best prevailing conditions of employment in Paris

The last survey for Paris was in 2012, and the current one was completed with the data collection between October 2024 to April 2025. The Commission reviewed the salary survey for Paris, including any questions of flexibility in the application of the methodology versus its strict application. It also held discussions with a technical panel, composed of members of the Commission and representatives of the Paris local salary survey committee (LSSC). The results were negative for the salary part and positive for the allowances part.

FICSA's intervention delivered on agenda item 7(b)

"FICSA thanks the ICSC Secretariat for the preparation of the note ISCS/100/R.14, a clear and comprehensive document. We are most appreciative of the support extended to the LSSC for the conduct of the salary survey in Paris, after over 12 years since the previous one.
FICSA wishes to thank all the members of the Paris LSSC for their thorough work, their efforts to ensure that the survey would be conducted in line with the current methodology and within the spirit of the Flemming principle. We are also echoing appreciation for the constructive and positive atmosphere that prevailed throughout the preparation and data-collection phases, which were conducted with the full participation and cooperation of all parties concerned.
FICSA fully supports the findings of the note ICSC/100/R.14, including all of the following points that have been submitted to the Commission's guidance and decision so that the new salary scale can be constructed:
(a) The use of the survey data from 13 employers as reflective of best prevailing local conditions (paras. 6–12);
(b) The retention of 14 jobs (paras. 13–17);
(c) The treatment of cash benefits added to base salary (paras. 22–25);
(d) The treatment of working hours (paras. 28 and 29);
(e) The procedure for netting down outside gross salaries (para. 30);
(f) The use of external salary movement data (paras. 37–39)
(g) The adjustments to the salary scale (paras. 40–42);
(h) The non-pensionable components (paras. 43–44);

(i) The interim adjustment procedure (para. 49).
In conclusion, FICSA is looking forward to the approval of note ISCS/100/R.14 and looks forward to its swift implementation."

Decision of the Commission on agenda item 7(b):

In the context of the Paris salary survey, the Commission decided to approve:
(a) The use of the survey data from 13 employers as reflective of best prevailing local conditions (paras. 6–12);
(b) The retention of 11 jobs (paras. 13–17);
(c) The treatment of cash benefits added to base salary (paras. 22–25);
(d) The treatment of working hours (paras. 28 and 29);
(e) The procedure for netting down outside gross salaries (para. 30);
(f) The use of external salary movement data (paras. 37–39);
(g) The request to maintaining the grandfathered salary scale (paras. 40 – 42);
(h) The non-pensionable component (paras. 43–44);
(i) The interim adjustment procedure (para. 49).

On the basis of the above-mentioned decisions, the Commission decided to recommend to the executive heads of the common system organizations based in Paris that the salary scale for staff in the General Service category be maintained at the current level until the calculated gap with the level of salaries of the labour market is closed. The Commission also decided to recommend the implementation of the revised level of dependency allowances for the General Service category, as contained in an annex to the ICSC report, with a reference date of 1 October 2024.

7. ICSC agenda item 6(b): Identification of the highest-paid national civil service (Noblemaire study): Reference check with international organizations

The Noblemaire study is a core function of the International Civil Service Commission (ICSC) that identifies the highest-paid national civil service globally, which then acts as the comparator for setting salaries for Professional and higher categories of UN staff. These studies are conducted approximately every five years. The most recent Noblemaire study, commenced in 2025, retained the current comparator. This decision was made after an initial review of several competitive national civil services, as the existing comparator was found to provide the highest level of cash compensation, with too significant a difference for other compensation elements to offset.

As part of this study, reference checks are also conducted with other international organizations like the Organisation for OECD and the World Bank. These checks, while not directly impacting the Noblemaire study's results, serve as an important indicator of the UN common system's attractiveness as an international employer.

Key findings from these reference checks include:

- OECD: Its cash remuneration is **25.9 per cent higher** than United Nations common system levels. While OECD's health provisions are similar, the UN common system has a more generous leave policy and a potentially preferred defined-benefit retirement plan.
- World Bank: Its net remuneration is **30.2 per cent higher** than UN common system salary levels. The World Bank offers more attractive health insurance, but the UN has a more generous leave policy and a potentially preferred defined-benefit retirement plan.

FICSA's intervention delivered on agenda item 6(b)

"FICSA expresses its appreciation to the ICSC Secretariat for preparing background document ICSC/100/R.7 and takes good note of the methodology adopted by ICSC for the comparison with OECD and World Bank. As mentioned in its statement on this topic at the 99th ICSC, FICSA would have preferred to add to the comparisons also the European Union, as a third employer that shares similar characteristics with the World Bank and OECD. FICSA also notes that the analysis, while detailed, lacks a full-fledged comparison of the salaries and benefits of the common system and those of OECD and WB, as explained in Paragraphs 23 and 43. A fully fledged comparison would have created a better understanding of whether UN is able to attract the best internationally recruited professionals in the duty stations where the comparators are present.
With respect to the results, FICSA takes note that, using the words of the report:
(a) OECD cash remuneration is 26.0 per cent above United Nations common system levels; and
(b) World Bank cash remuneration is 30.2 per cent above United Nations common system levels.

In conclusion, FICSA reaffirms the usefulness of running such comparison on a periodic basis and invites the ICSC to include, in future analysis, European Union as a comparator and, also, a fully-fledged comparison of the salaries and benefits."

Decision of the Commission on agenda item 6(b):

The Commission's consideration of item 6(b), based on document ICSC/100/R.7, is reported in its fifty-first annual report, issued as A/80/30.

The Commission decided to take note of:

(a) The reference data from OECD and the World Bank showing that the remuneration levels of those organizations were ahead of that of the United Nations common system (para. 117);

(b) The fact that, without a comprehensive comparison of the salaries and benefits of the United Nations common system and those of OECD and the World Bank, it was difficult to assess the relative worth of each of the packages.

8. ICSC agenda item 6(a)(i): Report of Working Group 2: family/dependency-related elements, including the education grant

The International Civil Service Commission (ICSC) is currently undertaking a comprehensive review of the compensation package for staff in the Professional and higher categories, with Working Group 2 specifically tasked with examining family and dependency-related elements, including various disability-related allowances. The Working Group identified a need to fill existing gaps in family support for staff, spouses and dependants with disabilities. A proposal was considered to extend the existing allowance for a child with a disability to spouses, effectively creating a "family member with a disability" allowance. The Working Group agreed in principle on its importance.

The recommended approach is to increase the regular spouse allowance by half of the allowance for a child with a disability. This approach was preferred to avoid conflating the two allowances and to offer a simpler, more transparent structure. While certifying a spouse with a disability might add administrative tasks, organisations confirmed this was not overly burdensome given the small number of potential recipients.

The Working Group also looked at the Special Education Grant that provides assistance for children with disabilities within the scope of the education grant scheme, available for children up to age 25, extendable to 28, including for locally recruited staff. A significant challenge is that the current maximum reimbursement amount of $51,584 may not adequately cover the specific needs of children with disabilities, particularly in high-cost locations like Switzerland and the United States of America. For instance, some parents face out-of-pocket expenses of up to $35,000 per year due to additional special education fees and only partial reimbursement for therapies like speech and occupational therapy. Two options were proposed for revising the ceiling: setting it at the 90th percentile of claim distribution (estimated $75,000, approximately $1 million financial implication) or based on the average fee in claims exceeding the current cap (estimated $63,000, approximately $600,000 financial implication). The Working Group concluded that additional data is required to determine the entirety of costs incurred for the education of children with a disability, as existing claim data might underestimate actual expenses. It was also agreed that the special education grant will not be prorated in situations where staff members are teleworking from their home country. The Working Group proposed a baseline for the youngest age group (0–4 years) in the regular child allowance for Professional and higher categories to be pegged at $3,322, specifically to restore its link to the allowance for a child with a disability, a level previously approved by the Commission. There were also discussions on dependency allowances, family configuration and support for staff with disabilities.

The working group on the Comprehensive Review of Compensation Package looked at Family/Dependency-Related Elements:

Child Allowance: The allowance has not been updated in 14 years. Working Group 2 has recommended a tiered allowance based on the child's age, proposing higher benefits for younger children (e.g., $3,322 for ages 0-4) to reflect associated costs, ensuring no reduction from current levels. They also suggested reviewing the allowance every three years.

Secondary Dependant's Allowance: Discussions include refining eligibility criteria (e.g., to focus only on parents, or parents and siblings with specific restrictions like disability) and ensuring consistent calculation methods for total financial resources across all dependants.

Allowance for a Spouse with a Disability: The working group agreed in principle to introduce an additional allowance for a spouse with a disability, which would supplement the regular spouse allowance by an amount equal to half of the allowance for a child with a disability.

Education Grant (Regular and Special): The regular education grant scheme is largely working as intended However, adjustments are being considered for:

- Minimum Age Eligibility: Maintaining the current minimum age of 5 years (with local exceptions for mandatory education).
- Exchange Rate Fluctuations: Measures to align the United Nations operational exchange rate for reimbursements with the rate on the payment date to the institution.
- Flexible Working Arrangements: The regular education grant is recommended to be prorated if a staff member teleworks from their home country for over two-thirds of the academic year, though this would not apply to the special education grant.

Special Education Grant: There is a need to explore setting the maximum reimbursement amount based on the entirety of costs incurred for children with disabilities, as current claim data may underestimate actual out-of-pocket expenses.

Early Childhood Care: This remains a complex issue with high costs in some locations (e.g., Switzerland, United States). There is no consensus on how to address it, whether as a separate allowance or incorporated into existing schemes, with requests for more detailed data on costs and impact on staff attraction and retention.

FICSA's intervention delivered on agenda item 6(a)(i)

"FICSA would like to thank the ICSC secretariat for facilitating smooth and productive discussions during the Working Group 2 meeting in May. FICSA reiterates its firm position that any reforms to family- and dependency-related elements must uphold fairness, equity, and the attractiveness of the UN common system as a modern, caring employer, and must remain clearly guided by the original rationale of each benefit. This issue - like all elements of compensation - is larger than the sum of its parts. It reminds us that a modern, credible, and caring employer must safeguard not only professional equity, but also the well-being of staff and their families -including the protection of mental health, support for caregiving responsibilities, and the promotion of a dignified work-life balance across all duty stations. In summary, we appreciate the discussions at the Working Group 2, that continue to find no duplication, and that each benefit has clear rationale, and continue to reiterate that any improvements to the compensation package be guided by the need to attract and retain a diverse and high-performing international civil service, with potential savings through efficiencies and simplification. However, we must be honest here, when no meaningful savings are to be found, further rationalization of the framework cannot be justified. It risks undermining staff morale, compromising retention, and ultimately impacting the Organizations' abilities to deliver on its mandate and mission.

We take this opportunity to reiterate our position on the following items:
• Child Allowance: After 14 years of non-approval of adjustments based on the approved methodology, FICSA insists that any refinement must not bring the allowance below current levels. Ideally, the allowance should be set at the correct level as per the ICSC's recommendation based on the approved methodology, $3,322 for all age groups. Should a tiered structure be introduced, with higher benefits for younger children to reflect higher associated costs, this must be done in a way that ensures no staff member experiences a reduction in their current benefit, i.e., Option 3. Options 1 and 2 will introduce lower levels of child allowance (15% lower) for children at higher age levels, arbitrarily, with no apparent technical justification.
• Secondary Dependant's Allowance: FICSA supports maintaining the status quo, which reflects the UN's respect for diverse family structures and configuration. We emphasize the importance of clear criteria and rationale, noting that the cost-benefit ratio strongly supports preserving this allowance for staff who genuinely need it. The current criteria is already very restrictive, as demonstrated by the allowance being paid only at a level of $49,000 per year across the whole system.
• Allowance for a Spouse with a Disability: FICSA strongly supports the introduction of this benefit, to ensure that staff supporting dependants with disabilities are treated with dignity, fairness, and consistency with the UN Disability Inclusion Strategy, and consistent with the existing Allowance for a Child with a Disability.
• Education Grant: This remains a cornerstone of the UN's competitiveness as an employer. The scheme should be maintained, with urgent focus on addressing exchange rate volatility and ensuring consistent application across organizations.
• Special Education Grant: The ceiling must be revised to reflect the full, actual costs of educating children with disabilities, so that no family is excluded from equitable access to inclusive education.
• Early Childhood Care: Recognition of escalating childcare costs - affecting only a limited number of duty stations, is essential. FICSA urges continued analysis with a view to providing targeted and

practical support in duty stations where it is most needed. We also appreciate the Working Group's recognition of the distinction between early childhood care and education.
• Flexible Work Arrangements: FICSA welcomes the technical discussions that reaffirmed the principle that any adjustments to entitlements should be applied in a fair and proportionate manner, ensuring that modern work modalities are supported without penalizing staff.
We would like to echo the ICSC secretariat's sentiments about the collegial and forward looking way in which this technical working group functioned. We reiterate the importance that is placed by staff on the family and these benefits truly reflect the fact that the UN upholds the family unit as an integral part of the staff member's wellbeing."

Decision of the Commission on agenda item 6(a)(i):

The Commission's consideration of item 6(a)(i), based on document ICSC/100/R.5, is reported in its fifty-first annual report, issued as A/80/30.

The Commission decided to:

(a) Take note of the progress made by Working Group 2;
(b) Endorse the following recommendations of the working group:
(i) In the context of the regular education grant, continue to grant the boarding lump sum to staff in category H duty stations only in exceptional cases, under the discretionary authority of executive heads.
(ii) In the context of the secondary dependent allowance, take into account all income, including pension and investment income, in determining eligibility.
(iii) In the context of the child allowance, review the level of the allowance every three years;
(c) Request Working Group 2 to examine further the following specific items, taking into account the previously agreed parameters, objectives, criteria and premises for the review and the issues raised in the Commission's discussion:
(i) Explore options of early childhood education and care as part of the education grant scheme or other formats, including allowing staff to choose whether to request the grant for their children's education at the pre-primary level or at the tertiary level in the light of further data, an analysis requested by the working group, and modelling to be provided by the secretariat;
(ii) Further consideration of the tiered approach to the child allowance;
(iii) Cost implications of the allowance for a spouse with a disability, if such data are available;
(iv) Revisiting of the options for the secondary dependant allowance;
(v) Remote work as it pertains to the education grant, particularly, in the context of working from a third country;
(vi) Consideration of options to phase out benefits in H duty stations after a certain period of time.7

9. ICSC agenda item 6(f): Consistency in the determination of step in grade

Step determination refers to the process by which a staff member's salary step within their assigned grade is established upon appointment, promotion, or transfer within the United Nations common system. The International Civil Service Commission (ICSC) plays a key role, making recommendations on recruitment standards and common staff regulations. The core principle was approved in 1989 by the ICSC recommending that organisations ensure staff appointed to a higher grade are placed at a step representing no less in monetary terms than the value of two steps in their present grade. This "two-step" calculation formula was endorsed by the General Assembly

and is generally followed across the common system. In general, external candidates are typically placed at step I upon initial appointment. However, executive heads have discretion to grant a higher step based on an applicant's background, qualifications, skills, and experience. Internal appointments (promotions) are generally made based on the "two-step" calculation formula. For inter-organization transfers at the same grade, the step remains the same. For higher or lower grades, the receiving organisation determines the step while respecting the staff member's previous employment rights.

However, there had been changes or developments in the UN Secretariat recently. Prior to 2023, external candidates (P-1 to D-2) could be granted one additional step for each year of experience beyond the minimum required for step I, up to a maximum step (e.g., Step VI for P-1 to P-4, Step V for P-5 and D-1). A perceived discrepancy arose where external candidates with significant experience could receive a higher initial step than internal candidates with similar experience promoted from a lower grade, as internal promotions were strictly subject to the "two-step" formula. Provisional staff rule 3.3 was amended in January 2023 to address these discrepancies by allowing the recognition of internal candidates' total experience (including prior to UN service) when determining their step upon promotion. However, the General Assembly directed the withdrawal of these provisional amendments due to concerns over potential financial implications. Staff rule 3.3 was reverted to its previous wording. 2024 guidelines subsequently made the treatment of external candidates' experience less favourable, requiring more years of experience to be granted steps higher than step I. The General Assembly, in resolutions 79/257 and 79/280, stressed that one additional step should be granted for each additional year of work experience beyond the minimum required for appointment at step one, effectively requesting a return to the previous practice for external candidates. The Secretariat implemented these requests in May 2025, and the recognition of external candidates' experience now appears to be in line with the previous practice. Despite the internal adjustments in the UN Secretariat, other common system organisations are generally aligned with the ICSC's 1989 recommendation on step determination, maintaining flexibility to meet their specific mandates and staffing needs. The full assessment of the UN's latest guidelines is still ongoing.

<u>FICSA's intervention delivered on agenda item 6(f)</u>

"FICSA appreciates the opportunity to comment on agenda item 6(f), concerning consistency in the determination of step in grade. While this item is presented primarily for information and not as a call for system-wide reform, it nonetheless touches on issues that have significant implications for equity, transparency, and the long-term competitiveness of the United Nations Common System, thus directly correlating wide discussions we are currently having on our employment framework.

The principle of fair and consistent step determination is foundational to any merit-based international civil service. The reaffirmation of the "two-step" advancement rule continues to offer a practical and transparent method of recognizing experience and rewarding internal career growth. However, divergent applications, evolving guidelines, and reactive adjustments—particularly within the Secretariat—have highlighted the risk of fragmentation, uncertainty, and perceived unfairness. FICSA underscores that while flexibility is necessary to meet diverse organizational mandates, it must not come at the cost of consistency, predictability, or internal equity. Compensation policies, including step determination, should support—not undermine—staff morale, motivation, and mobility.

Even as this agenda item does not call for immediate common system action, we must keep its broader significance in mind. Competitiveness in recruiting and retaining top-tier talent depends on

the credibility and coherence of our employment framework. In an increasingly competitive labour market, any erosion in the transparency or fairness of compensation risks weakening the UN's ability to attract and retain the diverse, committed workforce it needs.

This agenda item is therefore a timely reminder: compensation is not a technical matter alone. It is a cross-cutting issue central to the system's long-term sustainability and effectiveness. FICSA urges the Commission to continue monitoring this matter closely and encourages all organizations to anchor their practices in fairness, consistency, and internationally recognized employment standards.
We remain ready to contribute our experience and perspective as discussions on this topic evolve."

Decision of the Commission on agenda item 6(f):

The Commission concluded that:
a) The common system organizations were generally aligned with the recommendation of the Commission on step determination, with flexibilities exercised by executive heads to address targeted operational and recruitment needs;
b) The Commission would revert to this matter at a later stage, if warranted by further developments.

10. ICSC agenda item 6(a)(ii): Report of Working Group 3: allowances and benefits relating to service in the field

Working Group 3 of the Compensation Review looked at the allowances and benefits relating to service in the field. Field duty stations continue to pose challenges for recruitment and retention, particularly in attracting women and staff of certain nationalities to hardship posts.

Family Hub Models: Two voluntary models were proposed to allow staff serving in non-family or difficult duty stations to maintain their families in a nearby "family hub". Model 1, where both staff and family are assigned to the family hub, appears to be more financially sustainable and offers strategic career planning for staff, potentially reducing costs related to security evacuations and traditional family installations. A pilot project for Model 1 is recommended.

Pilot Payment in D and E Duty Stations: An annual payment ($14,000 for D, $15,000 for E) is currently granted to staff who choose not to install their families in duty stations with difficult living conditions (not security-related non-family posts). Discussions are ongoing about formalising this payment, unifying the amounts, and its future relevance in light of the proposed family hub models.

Mobility Incentive: This incentive encourages staff movement to field duty stations. It is proposed that its levels be adjusted every four years based on the movement of the base/floor salary scale. The ICSC recognises that linking career progression to geographical mobility needs to be balanced against potential negative impacts on other human resources priorities, such as achieving gender parity.

FICSA's intervention delivered on agenda item 6(a)(ii)

"FICSA would like to thank ICSC Secretariat for organizing and facilitating the work of the Working Group 3. FICSA appreciates the comprehensive work of Working Group 3, thanks its members for professional and candid discussions and welcomes the opportunity to speak on behalf of our members, particularly those stationed and serving in the field.

Our position is grounded in a simple but vital truth: field service must remain a meaningful and attractive career choice. The sustainability and reliability of the United Nations' development and humanitarian efforts depends on our ability to recruit and retain staff willing to serve in the most dangerous, remote, hardship, and insecure locations.

FICSA supports pragmatic, data-driven recommendations that respond to field realities—not only through financial means, but by reinforcing staff health and well-being, family and partnership cohesion, and career development. We are glad to see that all parties to the working group have reached consensus on this approach are all working with their constituents to provide accurate data and accounts. As UN's core work is rooted in evidence-based approach, we reaffirm our belief that any changes to compensation package must be backed up by reliable and credible evidence.
In this regard, we welcome the ongoing exploration of the Optional Family Hub model. Non-financial incentives such as this do more than reduce operational burdens—they humanize field service. They provide predictability, dignity, and a structured way for staff to reconcile demanding roles with family responsibilities. These are not just staff benefits; they are investments in institutional resilience. Therefore, we request that staff federation be included in all discussions on this matter. Similarly, we commend the commitment to continue differentiating the mobility incentive. However, we caution against moves that would dilute its purpose or reduce its value. The mobility framework must not become a casualty of cost-containment efforts, particularly when serving in hardship locations remains a professional sacrifice and a personal risk for many.

We also reiterate our call to maintain D/E pilot until a feasible alternative is found and agreed upon. We also support the discussion to expand the pilot payment in D and E duty stations to include C-duty stations, based on evidence of comparable hardship. We appreciate confirmation of the cost-neutrality of such a move and believe this merits further consideration.

FICSA stands ready to contribute to the upcoming review of hardship classifications, including the revision of the methodology of hardship classification. We believe this is an opportunity to re-define hardship beyond security alone and take into account cumulative factors—such as family separation, access to health care and vital public services, and mental well-being and to properly assess hardship as a comprehensive element that impacts staff both professional and personal life.

In conclusion, we urge the Commission to ensure that field postings remain not only viable but valued. That the employment framework governing this essential service reflects the United Nations' commitment to justice, equity, and care. And that staff are given the tools to make strategic career decisions—confident in a system that protects their health, supports their families, and honours their service. Thank you."

Decision of the Commission on agenda item 6(a)ii:

The Commission's consideration of item 6(a)(ii), based on document ICSC/100/R.6, is reported in its fifty-first annual report, issued as A/80/30.

The Commission recalled the previously agreed parameters, objectives, criteria and premises for the review and took note of the conclusions of the second meeting of Working Group 3 (annex VI). The Commission decided to:
(a) Take note of the progress of Working Group 3;
(b) Request the working group, at its next meeting, to, inter alia:
(i) Continue to work on model 1 of the proposals for an optional family hub, taking into consideration the discussions in paras. 89 to 92;

(ii) Further consider the feasibility of expanding the application of the current D and E duty station pilot payment to other categories of duty station, taking into consideration the discussion in paras. 93 and 94;

(iii) Make any final recommendations relating to incentives for mobility, taking into consideration the discussions in paras. 95 and 96;

(c) Note the remaining issues under the purview of Working Group 3 (A/79/30, annex XXXI).

11. ICSC agenda item 6(g)(i): Consultations regarding the agenda of ACPAQ's forty-seventh session

The Commission continued to keep under review the operation of the post adjustment system, and in that context, considered a note by the secretariat reporting on two separate rounds of consultations held in April 2025, first with the members of the Advisory Committee on Post Adjustment Questions (ACPAQ) and then with representatives of organizations and staff federations (stakeholders) regarding updates on the post adjustment system since the ninety-ninth session of the Commission, information regarding secretariat plans for the development of analyses and documentation for the forty-seventh session of ACPAQ, scheduled to be held in New York in February 2026 and requested feedback on such plans. considerations regarding the use of exchange rates, emanating from deliberation of both the Commission and ACPAQ, refinements and impact analysis of proposals for the treatment of housing costs by renters and homeowners, procedures and guidelines for the collection and processing of data from the 2026 baseline cost-of-living surveys, with a focus on methodological aspects that the secretariat considered of particular importance to discuss. ACPAQ members agreed and provided their availability to participate in the first Advisory Committee-Commission forum on 21 November 2025, and members of the Commission may take this opportunity to fulfil their long-standing wish to deepen their relationship with the Committee.

<u>FICSA's intervention delivered on agenda item 6(g)(i)</u>

"FICSA thanks the ICSC secretariat for the preparation of document ICSC/100/R.12 and you, Mr. Chair, for allowing us to take the floor on this item.

FICSA welcomes the inclusive and consultative process that led to the consultations with members of the Advisory Committee on Post Adjustment Questions and representatives of the organizations and the staff federations on 23 and 29 April 2025.

We take note of the content of the report, which is technical and articulated, with a couple of comments:

- *With respect Specific issues of eligibility, representativity and other processing criteria of household expenditures, Paragraph 10 (d), FICSA believes that, before taking a decision about inclusion of FS5, more work should be done. This reflection stems from the fact that the population data presented is now "old", from 2023, and, as such, it is not a good base for further analysis.*
- *With respect to the Specific issues of eligibility, representativity and other processing criteria of household expenditures, Paragraph 10 (d), FICSA expresses its support to the presence of stakeholders in the observation of the price data collection in New York, that should act within the framework of the current methodology. At the same time, FICSA calls for the establishment of a motivated, technically strong and competent local survey committee."*

<u>Decision of the Commission on agenda item 6(g)(i):</u>

The Commission took note of the information provided and confirmed the agenda of the forty seventh session of the Advisory Committee.

12. ICSC agenda item 5(a): Assessment and review of the implementation of the parental leave framework

Refer also to agenda item 4 above.

FICSA's intervention delivered on agenda item 5(a)

"FICSA wishes to commend the Commission and all organizations for their efforts in implementing the enhanced parental leave framework and for undertaking this first assessment of its performance across the UN Common System. We are encouraged by the broad support it has received from both staff and administrations, and we welcome the data demonstrating the many positive effects on working culture, staff morale, and the system's attractiveness as an employer of choice.
This reform has meaningfully contributed to a more inclusive and enabling work environment. Staff feedback and organizational observations align in showing that the policy improves work-life balance, strengthens loyalty and retention, and reinforces the credibility of the UN as a forward-looking and caring employer.

We would like to underscore the broader strategic value of this policy shift. Improvements to parental leave are not only a matter of fairness and gender equality—they are an investment in human capital. Research and experience from other sectors show that organizations with robust parental leave policies often witness increased staff motivation, reduced burnout, and even measurable gains in productivity and efficiency. The introduction of shared leave entitlements has also expanded the talent pool by making the workplace more accessible and supportive to parents of all genders, backgrounds, and family models.

Importantly, the success of the parental leave framework is also a celebration of family and a reaffirmation of the value of parenthood. This initiative speaks directly to the values we aspire to: dignity, care, inclusion, and solidarity. Its system-wide adoption across nearly all UN organizations is a clear indication of its popularity and effectiveness.

FICSA encourages the Commission to regard this as more than a policy reform—it is a demonstration of how progressive personnel policy can serve multiple goals: it uplifts morale, supports mental and physical health, boosts motivation and creativity, enhances the organization's reputation, and offers a replicable model for other policy domains.

We stand ready to collaborate in deepening this success, and to ensure it remains backed by adequate resourcing and implementation support—so that no unit is overburdened, and no goodwill is undermined."

Decision of the Commission on agenda item 5(a):

The Commission's consideration of item 5(a), based on document ICSC/100/R.3, is reported in its fifty-first annual report, issued as A/80/30.

The Commission decided to:

(a) Take note of the information pertaining to the assessment and review of the parental leave framework;

(b) Request its secretariat to conduct a dedicated global staff survey on the implementation of the parental leave framework in the United Nations common system prior to the next assessment in four years (2029);
(c) Request its secretariat to seek gender-disaggregated data on the utilization of the parental leave framework, including data on the non-utilization of parental leave policies by eligible staff, for the next review.

13. ICSC agenda item 5(b): Report on non-financial incentives

The Commission considered ways to boost staff morale without financial costs, such as flexible work, career development, and recognition initiatives, as requested by the UN General Assembly resolution 79/252-A-B. The following non-financial measures have already been implemented by some common system organizations:

- Flexible working arrangements and special working patterns related;
- Career development related;
- Employee wellbeing and duty of care related;
- Special Rewards and Recognition;
- Experiential/social events;
- Multilingualism;
- Geographical Mobility;
- Diversity, Equity and Inclusion related measures/incentives;

FICSA's intervention delivered on agenda item 5(b)

"FICSA welcomes the focus placed on non-financial incentives in this report. We strongly believe that well-designed, evidence-based measures in this area can lead to exponential improvements in staff quality of life, often with minimal administrative cost. However, it must be clearly stated: these initiatives should not be seen merely as cost-saving alternatives to financial benefits. If there is to be any real staff buy-in, they must be framed and delivered as part of a progressive evolution of our employment framework—anchored in trust, dignity, and shared value. We urge that any non-financial incentives are applied uniformly across the UN system and ensure equity for staff who may not be able to take such things as flexible working, for example in security services and healthcare professionals.

We have done our homework in this matter. Such incentives and investments could stem from several impactful approaches—such as flexible and compressed work schedules, four-day workweeks, expanded autonomy, recognition programmes, and embedded well-being support. Non-financial incentives are consistently shown to reduce burnout, improve engagement, and increase productivity. It is now well established that the majority of employee engagement is influenced by non-financial recognition, while health and well-being strategies can unlock massive value through decreased presenteeism and increased satisfaction.

In line with our discussions around the compensation package review, we want to take this thought further and highlight the importance of managerial accountability, ensuring that leaders are incentivized not just for operational outcomes but also for nurturing a healthy team culture and safeguarding psychological safety. This alignment, in turn, strengthens retention and performance while enhancing our agenda of modernizing our working culture.

Non-financial incentives—when genuine, consistent, and co-designed with staff—can improve morale, motivation, creativity, and organizational trust. They are proof that human-centred policies can be both principled and practical. Such incentives help attract and retain diverse talent, particularly those balancing caregiving roles or facing non-traditional life circumstances, and they showcase the UN system as an employer that evolves with its people.

FICSA urges the Commission to recognize non-financial incentives as core pillars of a modern, inclusive, and credible employment model. We support their thoughtful integration into strategic workforce planning and performance culture, with staff consultation at the centre. With the right approach, these incentives will not only complement our working culture —but elevate it."

Decision of the Commission on agenda item 5(b):

The Commission decided to:
(a) Take note of the broad scope of non-financial incentives and measures and a lack of a common definition; and
(b) Continue to explore non-financial incentives under the respective items in the working groups established for the comprehensive review, as relevant.

14. ICSC agenda item 6(e): Non-family service allowance: review of level

The non-family service allowance is an allowance for staff to undertake assignments at non-family duty stations. It recognizes the increased level of financial and psychological hardship incurred by involuntary separation from family members, including additional service-related costs. In line with the Commission's decision taken its at its eighty-third session, the level of the non-family service allowance is reviewed every three years, starting in 2016 when the current payment matrix was implemented, by using rent data under the post adjustment system. The last review of the level of the non-family service allowance was carried out in 2022.

FICSA's intervention delivered on agenda item 6(e)
"FICSA takes note of document ICSC/100/R.10 and commends the Commission for the thorough and evidence-based analysis presented. Based on the data and rationale provided, we find no reason to object to maintaining the non-family service allowance at its current level."

Decision of the Commission on agenda item 6(e):

The Commission decided:
(a) To maintain the current levels of the non-family service allowance at $19,800 per year for staff with eligible dependants and at $7,500 per year for staff without eligible dependants; and
(b) To postpone the scheduled review of the allowances under its purview until the completion of the ongoing comprehensive review of the compensation system for Professional and higher categories of staff.

15. ICSC agenda item 6(c): Base/floor salary scale including the review of staff assessment rates for grossing up purposes

The concept of the base/floor salary scale was introduced, with effect from 1 July 1990, by the General Assembly in its resolution 44/198 (sect. I. H, para. 1). The scale is set by reference to the General Schedule salary scale of the comparator civil service, currently, the federal civil service of the United States of America. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials at the established reference point of the scale (P-4, step VI)

with the corresponding base salaries of their counterparts in the United States federal civil service (step VI in grades GS-13 and GS-14, with weights of 33 per cent and 67 per cent, respectively).

A 1.7 per cent increase in the base General Schedule scale of the comparator civil service was implemented with effect from of 1 January 2025. In addition, tax changes were introduced in the United States in 2025. In the federal tax system, the income levels of tax brackets and the standard deduction amounts were increased. Tax brackets and standard deduction were adjusted for the District of Columbia, the State of Maryland and the State of Virginia. In order to reflect the effect of the combined effect of the movement of gross salaries under the General Schedule and the tax changes in the United States and to maintain the common system salaries in line with those of the comparator, an increase of 1.6 per cent in the base/floor salary scale with effect from 1 January 2026 was proposed.

FICSA's intervention delivered on agenda item 6(c)

"FICSA thanks the ICSC secretariat for the preparation of document ICSC/100/R.8.
FICSA takes note of the methodology adopted by ICSC and of the main findings related to the 1.7 % increase in the General Schedule salary scale of the United States federal civil and of the subsequent need to increase of the base/floor salary of 1.6%.
FICSA also takes good note of the Review of the rates of staff assessment used in conjunction with gross salaries and of the fact that that the present balance of the Tax Equalization Fund currently requires no revision of such rates.
Overall, FICSA agrees with the conclusion of document ISCS/100/R4 and with the recommendation to the General Assembly to adopt an adjustment to the unified base/floor salary scale for the Professional and higher categories of 1.60 per cent, to be implemented through the standard no-loss/no-gain consolidation method."

Decision of the Commission on agenda item 6(c):

The Commission decided to recommend to the General Assembly:
(a) That the General Assembly approve with effect from 1 January 2026, the revised unified base/floor salary scale as well as the updated pay protection points for the Professional and higher categories, reflecting a 1.6 per cent adjustment, to be implemented by increasing the base salary and commensurately decreasing post adjustment multiplier points;
(b) That the current rates of staff assessment used in conjunction with gross salaries be maintained until the next regular review in 2028, unless a change in the situation of the Tax Equalization Fund necessitated an earlier review.

16. ICSC agenda item 6(d): Evolution of the United Nations/United States net remuneration margin.

The Commission's consideration of item 6(d), based on document ICSC/100/R.9, is reported in its fifty-first annual report, issued as A/80/30.

Decision of the Commission on agenda item 6(d):

The Commission decided to:
(a) Report to the General Assembly that the margin between the net remuneration of United Nations officials in the Professional and higher categories in New York and that of officials in comparable positions in the United States federal civil service in Washington, D.C., was estimated at 117.0 for the calendar year 2025;
(b) Request its secretariat to continue to monitor the margin level so that corrective action could be taken as necessary through the operation of the post adjustment system should the trigger levels of 113 or 117 be breached in 2026;

(c) Inform the General Assembly of its intention to review the parameters of the margin management methodology at a future session.

17. ICSC agenda item 6(g)(ii): Report of the Task Force on the review of the parameters regulating the Personal Transitional Allowance (PTA) under the current model

FICSA's intervention

"FICSA notes with appreciation the efforts of the task force tasked with reviewing the parameters regulating the Personal Transitional Allowance (PTA). As recalled by the task force, the purpose was clearly delineated: to achieve enhanced equity among staff through shorter durations of personal transitional allowances, ideally also resulting in financial savings or at least no increased expenditure.
FICSA appreciates the complexity of modifying the PTA scheme for extreme cases while ensuring that such modifications do not disrupt the balance among the three core features of a salary-setting scheme: accuracy, stability and predictability, and equity and fairness.
In considering any changes to the parameters of the Personal Transitional Allowance, FICSA underscores, as already done during the task force work, the need to adhere to these three guiding principles listed above.
As such, FICSA underlines the importance of avoiding arbitrary parameter adjustments that lack a clear and justified rationale, as such actions would deviate from these principles and risk undermining the credibility and consistency of the system.
In principle, FICSA believes that what decided at the 99th session, 36 months cap, would be enough to address the issue. This said, in FICSA's view, if there is need to further fine tuning, we believe that option a, 24 months cap, would adequately meet the objectives set forth by the Commission, without substantially undermining the principles listed above.
Lastly, FICSA welcomes the analytical work conducted by the ICSC regarding the factors that contributed to the large PTA in Lebanon. In this regard, FICSA supports a revision of the exchange rate methodology used, in order to prevent similar issues happening in the future."

Decision of the Commission on agenda item 6(g)(iii):

The Commission's consideration of item 6(g)(iii), based on document ICSC/100/R.9, is reported in its fifty-first annual report, issued as A/80/30.

The Commission took note of the report of the task force on the review of the parameters of the personal transitional allowance and decided to set the parameters for any new instances of the personal transitional allowance as follows:
(a) Augmentation factor: 3 per cent;
(b) Grace period/interval period: 3 months;
(c) Adjustment factor: 4 per cent;
(d) Maximum duration: 24 months.

Concerning existing personal transitional allowances, the Commission decided to retain its previously decided maximum duration of 36 months but coming into effect for existing personal transitional allowances no earlier than August 2026, thus allowing an adequate advance notice of 12 months. The Commission requested the secretariat to promptly inform stakeholders of those changes and allow a reasonable time of a few months for the operational implementation of its decision by the secretariat and stakeholders.

* * *

[Annex attached]

ANNEX

based on Annex II of ICSC/100/R.18

CONDITIONS OF SERVICE OF THE GENERAL SERVICE AND OTHER LOCALLY RECRUITED CATEGORIES: OPERATIONAL RULES TO BE USED IN CONJUNCTION WITH THE SALARY SURVEY METHODOLOGY (ICSC/94/R.16 AND ICSC/94/R.17)

1. The authority to implement the following operational rules at the conclusion of a salary survey, rests with the coordinating agency at headquarters duty stations, and with the responsible agency for salary survey at non-headquarters duty stations. These rules should be implemented in coordination with other common system organizations, with a view to ensure consistency under similar circumstances.
2. The implementation of the rules become effective on the date of promulgation of the 100th sessional report of the ICSC for methodology I duty stations (ICSC/94/R.16), and upon completion of consultations between the responsible agency and other common system organizations for methodology II duty stations (ICSC/94/R.17) for salary survey results approved for the remainder of the eighth round of surveys irrespective of the source of salary data used: comparators' data, external salary data, external salary movement data or a combination of salary data as allowed by the survey methodology. The validity of the rules beyond the eighth round of surveys will be determined by the Commission in due course.

Operational rule 1

3. If the coordinating agency or the responsible agency decides to delay the implementation of survey results by one or more years from the survey reference date, interim adjustments may be reinstated on the survey reference date if supported by survey results i.e. only if the percentage of interim adjustment is lower than the result of the salary survey.
4. The modality for calculating such interim adjustments shall normally be the one approved in the most recently conducted salary survey. However, if this modality is a mini survey, an alternative modality will be determined according to the following order of preference: 1) external salary movement data, 2) indexation. If it is decided to use indexation, the 5 per cent rule stated in the methodology, would not be applicable prior to the implementation of salary survey results. However, special measures may be considered during this period if the thresholds established in the methodology for their implementation are reached.
5. In determining the interim adjustment, the provisions of the methodology, including the calculation of the gross-to-net factor, and the calculation of correlation between past salary increases and movement of the identified index, will be applied with some flexibility, as necessary.
6. If the implementation of survey results is delayed, survey results will be recalculated, prior to implementation, taking into account the effect of the interim adjustments applied since the reference date of the survey.
7. Survey results refer to the combination of approved increases of salaries and revised level of dependency allowances. Consequently, the decision to implement or delay survey results will be applied to both elements simultaneously.
8. In order to maintain the survey reference month, any delays of implementation of survey results will be on multiples of one year. If it has been decided to delay the implementation by more than one year, this decision may be reevaluated at the anniversary of the salary survey.

Operational rule 2

9. The coordinating agency or responsible agency may decide to phase the implementation of survey results by a factor no lower than two times the interim adjustment applicable as of the survey reference

date. The calculation of the interim adjustment will be subject to the same conditions and order of preference applicable for operational rule 1. If external salary data were used, the existing cap of three times the latest external salary movement stated in the methodology will continue to apply.

10. The factor determined to phase the implementation of survey results, i.e. two or more times the interim adjustment, will be maintained until the full survey results have been implemented. However, the actual percentage used as threshold could change according to the results of future interim adjustments.
11. Any percentage carried forward will be implemented in subsequent years taking into account the combined effect of the interim adjustment and threshold calculated for the relevant year.
12. Operational rules 1 and 2 may be applied concurrently.
