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Proposed programme budget for 2020

Human resources management

United Nations common system

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2019

Eighth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for 2020

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General ([A/C.5/74/2](#)), 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 the International Civil Service Commission for the year 2019 ([A/74/30](#)). The Committee also had before it an advance version of that report. During its consideration of the statement, the Committee met with representatives of the Secretary-General and the Commission, who provided additional information and clarification, concluding with written responses received on 21 October 2019.

2. The decisions and recommendations of ICSC relate to four issues: the base/floor salary scale; the education grant; the hardship allowance; and the mobility incentive ([A/C.5/74/2](#), para. 1). The related system-wide financial implications for the four issues combined are estimated at \$13,290,000 per annum. Of this amount, \$2,188,700 pertains to the Secretariat for the proposed programme budget for 2020 and would be taken into account in the context of the revised estimates: effect of changes in rates of exchange and inflation for the period. An amount of \$3,997,800 pertains to peacekeeping operations, comprising \$1,332,600 for the period from 1 July 2019 to 30 June 2020 (to be taken into account, as necessary, in the context of the related performance reports) and \$2,665,200 for the period from 1 July 2020 to 30 June 2021

* Reissued for technical reasons on 24 October 2019.



(to be taken into account in the related proposed budgets) (*ibid.*, summary and para. 15).

3. Upon enquiry, the Advisory Committee was informed that the annual report of the Commission for the year 2019 ([A/74/30](#)) does not entail any financial implications for the programme budget of the United Nations for the biennium 2018–2019. The Committee was also provided with a table showing the breakdown of the financial implications, as at 1 January 2020, under the programme budget for 2020 and under the budgets for peacekeeping operations for the periods from 1 July 2019 to 30 June 2020 and from 1 July 2020 to 30 June 2021 (see annex). The Committee was further informed that actual expenditures under the programme budget for 2020, including post expenditures, would be reported in the final performance report for the year 2020. **The Advisory Committee trusts that further explanations of how the financial implications for the programme budget for 2020 and for the budgets of peacekeeping operations for 2019/20 and 2020/21 have been calculated will be provided to the General Assembly at the time of its consideration of the present report.**

II. Base/floor salary scale

4. Matters related to the base/floor salary scale are described in paragraphs 2 and 3 of the statement submitted by the Secretary-General. The Advisory Committee was informed, upon enquiry, that the net remuneration of staff in the Professional and higher categories comprises two elements, namely: (a) the base salary, which is the minimum, or floor, remuneration payable to Professional staff worldwide by all organizations in the common system, and which is also used to calculate certain separation payments; and (b) the post adjustment, which is a variable cost-of-living element to preserve purchasing power parity for all duty stations. The base/floor salary adjustment is focused on the floor dimension of the salary scale in order to ensure that the minimum remuneration in the common system remains up to date and aligned with the minimum remuneration in the comparator civil service. With respect to the cost-neutrality of the recommended increase, also known as the no loss/no gain adjustment, the Committee was further informed that the overall level of net remuneration is not affected, as the base salary is increased and the post adjustment is reduced by the same percentage, which in 2020 would amount to 1.21 per cent, as noted below.

5. The system-wide financial implications of the Commission's recommendation of a 1.21 per cent increase in the base/floor salary scale, as at 1 January 2020, are estimated at \$540,000 per annum. Of that amount, \$92,700 pertains to the Secretariat for the proposed programme budget for 2020; and \$100,700 pertains to peacekeeping operations, comprising \$33,600 for the period from 1 July 2019 to 30 June 2020 and \$67,100 for the period from 1 July 2020 to 30 June 2021. The Advisory Committee recalls that the only direct financial implications arising from the measure would be an increase in the termination indemnity and other separation payments, which are linked to the salary scale (see [A/73/446](#), para. 10).

III. Education grant: review of scale and level of boarding lump sum

6. Matters related to the education grant are described in paragraphs 4 to 7 of the statement submitted by the Secretary-General. The Commission has decided to recommend to the General Assembly that, from the academic year in progress on 1 January 2020, the sliding reimbursement scale, in accordance with resolution [71/264](#),

be revised and the boarding lump sum be increased from \$5,000 to \$5,300. The related system-wide financial implications of the Commission's recommendation are estimated at \$7.85 million per annum. Of that amount, \$1,896,600 pertains to the Secretariat for the proposed programme budget for 2020; and \$2,060,100 pertains to peacekeeping operations, comprising \$686,700 for the period from 1 July 2019 to 30 June 2020 and \$1,373,400 for the period from 1 July 2020 to 30 June 2021.

7. Upon enquiry, the Advisory Committee was informed that, while normally the organizations only provide assistance with boarding-related expenses to staff serving in field locations whose children are boarding outside the duty station, exceptions may be granted, on a case-by-case basis, under the discretionary authority of executive heads to staff serving at Headquarters duty stations. The Committee was further informed that, following a request by a staff federation to further encourage the organizations to use the exceptions relating to boarding assistance in category H duty stations,¹ in accordance with paragraph 29 of General Assembly resolution 70/244, the Commission intends to take up this matter in 2020 in the context of its comprehensive assessment of the education grant scheme.

IV. Hardship allowance

8. Matters related to the hardship allowance are described in paragraphs 8 to 10 of the statement submitted by the Secretary-General. The Commission decided to grant a 2 per cent increase in the hardship allowance with effect from 1 January 2020, following a review of three adjustment factors, namely, (a) average movement of the net base salary plus the post adjustment at the eight headquarters duty stations of the United Nations system; (b) movement of the out-of-area index used for the post adjustment based on inflation factors in 26 countries; and (c) movement of the base/floor salary scale. The related system-wide financial implications of the Commission's recommendation are estimated at \$2.8 million per annum. Of that amount, \$147,000 pertains to the Secretariat for the proposed programme budget for 2020; and \$1,354,500 pertains to peacekeeping operations, comprising \$451,500 for the period from 1 July 2019 to 30 June 2020 and \$903,000 for the period from 1 July 2020 to 30 June 2021.

V. Mobility incentive

9. Matters related to the mobility incentive are described in paragraphs 11 to 14 of the statement submitted by the Secretary-General. In accordance with General Assembly resolution 70/244, the mobility incentive applies to staff with five consecutive years of prior service in an organization of the common system and from their second assignment, excluding category H duty stations, and is increased by 25 per cent upon the fourth assignment and by 50 per cent upon the seventh assignment. The Commission has decided to set the lower limit of the mobility incentive to \$6,700 per year, with effect from 1 January 2020. The system-wide financial implications resulting from the Commission's recommendation are estimated at \$2.1 million per annum. Of that amount, \$52,400 pertains to the Secretariat for the proposed programme budget for 2020; and \$482,550 pertains to peacekeeping operations, comprising \$160,850 for the period from 1 July 2019 to 30 June 2020 and \$321,700 for the period from 1 July 2020 to 30 June 2021.

¹ Category H locations are either at headquarters and other similarly designated locations where the United Nations has no development or humanitarian assistance programmes, or in member countries of the European Union (see <https://icsc.un.org/Home/DataMobility>).

VI. Other

10. The Commission indicates that there is a need for an additional post of Communications Officer (P-4), to be located in the Commission secretariat, for the purpose of specialized and professional communication to all stakeholders. The related financial implications would amount to \$227,600 annually (see [A/74/30](#), para. 163). Upon enquiry, the Advisory Committee was informed that the need for the post would be reviewed in the context of the preparation of the proposed programme budget for 2021.

VII. Conclusions and recommendations

11. **The Advisory Committee recommends that the General Assembly take note of paragraph 16 of the statement by the Secretary-General, i.e. that, should it approve the recommendations of the Commission:**

(a) **Requirements for the year 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;**

(b) **Requirements for the budgets for peacekeeping operations would be addressed, as necessary, in the context of the performance reports for the period from 1 July 2019 to 30 June 2020 and in the context of the upcoming proposed budgets for the financial period from 1 July 2020 to 30 June 2021.**

Annex

Financial implications resulting from the International Civil Service Commission report for 2019

Proposed implementation date: 1 January 2020.

Information provided by the International Civil Service Commission.

	<i>(United States dollars)</i>	<i>Number of cases</i>	<i>Regular budget</i>		<i>Peacekeeping operations</i>		
			<i>Percentage</i>	<i>2020 estimate (United States dollars)</i>	<i>Percentage</i>	<i>2020/21 estimate (United States dollars)</i>	<i>2019/20 (six months)</i>
Base/floor salary scale							
Common system: 540,000		2 400					
Secretariat: 162,000		720	0.57	92 700	0.41	67 100	33 600
Education grant							
Common system, sliding scale: 7.1 million		17 888					
Common system, boarding lump sum: 0.8 million		2 567					
Subtotal, education grant, common system: 7.9 million							
Secretariat sliding scale: 2.7 million		7 259		1 552 400		1 123 100	561 550
Secretariat, boarding lump sum: 0.6 million		1 904		344 200		250 300	125 150
Subtotal, Secretariat: 3.3 million			0.57	1 896 600	0.41	1 373 400	686 700
Hardship allowance							
Common system: 2.8 million		10 995					
Secretariat: 1.1 million		4 288	0.14	147 000	0.82	903 000	451 500
Mobility incentive							
Common system: 2.1 million		7 625					
Secretariat: 400,000		1 372	0.14	52 400	0.82	321 700	160 850
Total, Secretariat				2 188 700		2 665 200	1 332 650