# FICSA CIRCULAR



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To: Chairs, Member Associations/Unions

Members of the Executive Committee
Chairs, Members with Associate Status

Chairs, Associations with Consultative Status Presidents, Federations with Observer Status Chairs and Vice-Chairs of Standing Committees

From:

Diab El-Tabari, President

# REPORT BY THE FEDERATION OF INTERNATIONAL CIVIL SERVANTS' ASSOCIATIONS (FICSA) ON ITS PARTICIPATION IN THE 81ST SESSION OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (ICSC)

(IAEA, Vienna, 27 July to 7 August 2015)

1. The ICSC Chair, Mr. Kingston Rhodes, welcomed the participants and thanked the IAEA for providing the facilities for the session.

#### Statement by the IAEA Deputy Director General

- 2. The Deputy Director General welcomed participants to Vienna, wishing them a productive meeting, and drew attention to items on the agenda that were of particular interest and significance to the IAEA, among which was the comprehensive review of the compensation package. Pointing out that the IAEA, as well as other organizations, placed great importance on the compensation package offered to attract employees of the highest standards of efficiency, technical competence and integrity, in accordance with their statutes, the Deputy Director General requested the Commission to ensure that the compensation review would be used to develop a more cost-effective, simple, modern, competitive and financially sustainable package. She highlighted the importance of making sure that, in transitioning towards the new compensation package, there would be no significant additional costs or requirement for the operation of parallel systems.
- 3. Another item of importance for the IAEA was the increase in the mandatory age of separation to 65 years for staff members recruited before 1 January 2014. In outlining some of the provisions of the organization's strategic plan and budget for 2016 and 2017, she emphasized that, given the significant impact that any change to the mandatory age of separation for current staff members would have on the organization in terms of financial and human resources, the IAEA would wish, like most other United Nations organizations, for the implementation date of this

policy to be no earlier than 1 January 2018. The Deputy Director General concluded by wishing the Commission a successful session.

### Statement of the Chair of the ICSC

4. The attached Annex contains the ICSC Chair's statement reporting on activities since the 80<sup>th</sup> session of the ICSC.

#### Joint statement by FICSA and CCISUA

5. FICSA and CCISUA delivered a joint statement at the opening of the session (document FICSA/CIRC/1204 refers).

# Outcome of the compensation review of the Professional category

- 6. The ICSC recently completed its review of pay and conditions of service for the Professional staff. It will review those of National Officers, General Service and related categories next year.
- 7. While there are some positive aspects, there are also negative elements due to the impact of taking the dependency rate of pay from single parents, eliminating accelerated home leave, and reducing both the mobility allowance and educational benefits.
- 8. Transitional measures will be provided for current staff but will gradually be eliminated.
- 9. The purpose of the review was supposed to be to simplify and modernize the compensation system. However, we believe that the ICSC bowed to political pressure from certain Member States who wished to cut costs.
- 10. The recommendations of the review have been made by the ICSC Commissioners after listening to the arguments of the staff federations, which have been very active in this review, and also the views of representatives of the organizations of the UN common system. The recommendations will be presented to the General Assembly this fall for its approval.
- 11. As you will see below, FICSA, along with the other staff federations, CCISUA and UNISERV, worked hard to represent staff interests. We were able to remove the worst aspects of the review. However, we do not think what was concluded is acceptable. We believe that the proposal can be challenged both on political and legal grounds, and will be preparing a series of actions and campaigns to this end.
- 12. FICSA will provide you at a later stage with more detailed information regarding its strategy in coordination with CCISUA in order to preserve to the maximum possible extent the acquired rights of staff.

#### Salary scale

- 13. There will be one salary scale for all staff (instead of the single and dependent scales we have now).
- 14. Staff with spouses not employed or earning less than G-1, step 1, will receive a 6 per cent spouse allowance to reflect the difference in tax treatment in the United States. The new salary scale would be 6 per cent less than the current dependency scale, so that staff with non-working

spouses will be paid the same as now (spouse allowance offsetting change in salary). Single staff would in most cases get more, by up to \$US 2,000 per year.

- 15. Staff with dependent children will continue to receive a child allowance of \$US 2,929 per year for each child.
  - 16. The big change will be for the 7,500 staff with working spouses, who are paid on the current dependent scale as a result of their first dependent child. Under the new system, these staff will not receive a spouse allowance and will only be paid child allowance for each of their children. This could result in a reduction in pay of between 3 and 6 per cent. The same would apply to single parents. As a transitional measure, affected colleagues will have their salary cut by one percentage point a year until they reach the new lower level.
  - 17. FICSA is very concerned with the effect that this would have on staff with dependents, especially single parents. Both staff federations and management had proposed payment protection for this category of staff so that their pay would not be cut when there had been no change in their circumstances. For example, there was strong support among staff and management representatives for a single parent allowance to help with higher childcare costs and the expenses of managing a family household. However, the ICSC did not accept such considerations. This action would certainly be challenged at the General Assembly and later in legal terms if it passes through the General Assembly.

# Progression through the salary scale

- 18. The new salary scale has 13 steps in each grade (except D-2 with 10 steps). Staff at D-1 and D-2 would therefore have more steps in their grade and would be able to earn more within their grade. Staff at P-3 and P-4 would no longer be able to access steps 14 and 15, although staff on those steps would be protected. At the same time new steps would be added at the P-1 and P-2 grade, below step 1 and the minimum salary at the P-1 level would be reduced by 6 per cent. Step increments after step 7 would be awarded every two years.
- 19. No changes would be made to the basis on which pension is calculated (pensionable remuneration) for the time being.
- 20. The increase in steps at the D-2 level would mean that the proposed new remuneration for ASGs and USGs would increase by about 10 per cent. More generally it would increase pay inequality between the top and bottom ends of the scale. The elimination of steps 14 and 15 at the P-3 and P-4 levels, which the staff federations argued against, would have consequences on within grade pay progression. The awarding of steps every two years from step 7, while reflecting trends in national civil services, would delink step progression from the annual performance cycle and reward it solely for longevity.

### Performance-related pay

- 21. The ICSC recommended that organizations which wished and were able to implement performance-related pay using funds they may have identified could go ahead and do so.
- 22. Staff federations pointed out impracticalities relating to performance-related pay including difficulties in measuring individual contributions to team performance. Furthermore, the abandonment of performance-related pay by companies such as Accenture and Microsoft has

been well-documented. There is no point in adopting a system which the private sector now believes to be obsolete.

#### **Education grant**

- 23. Education grant is maintained for primary, secondary and tertiary levels.
- 24. However, the ICSC has recommended that boarding not be covered for staff in HQ duty stations (e.g. New York, Vienna, Geneva, Rome, Paris) except if they are in mobile functions. The ICSC argued that there were adequate private day schools in headquarters duty stations and that boarding expenses were not justified. Each organization would define its own interpretation of mobile functions and exceptions to allow boarding. Boarding support was also eliminated for university level education support. Education travel would also be eliminated for those not entitled to boarding.
- 25. A new global sliding scale has been established to reimburse education fees but would now be limited to tuition and tuition-related costs. The sliding scale would provide an advantage to staff that chose a cheaper school, with a higher the rate of reimbursement. At the higher cost end, staff paying \$US 35,000 would nevertheless receive an overall reimbursement level of 75 per cent, but only for tuition. Capital costs would be paid outside the scheme and boarding ceiling would be set at \$US 5,000 for field duty stations.
- 26. Staff federations had to work to keep the tertiary (university) coverage. The decision to no longer cover costs such as books, exam fees, food and transport at any level would have implications for staff. However, the higher thresholds (which should in our view be even higher) compared to current low ceilings would compensate in some duty stations to some extent. Duty stations with lower costs might find adequate coverage, whilst those with higher costs of educational facilities might see their costs rise significantly.
- 27. Staff federations believe that with the implementation of mobility policies, boarding was required for continuity of education regardless of the duty station and would be working with the organizations to develop policies to that effect.
- 28. This issue will be raised with the General Assembly.

#### Rest and recuperation (R&R)

- 29. The current R&R system would be maintained but accelerated home leave in C to E duty stations would be discontinued.
- 30. FICSA is pleased the ICSC decided to maintain the current R&R system and were able to demonstrate, together with management, that contrary to the ICSC's assumptions, the R&R system did not lead to unreasonable absences by staff from non-family duty stations, and that R&R was an essential part of staff well-being. However, FICSA is concerned that accelerated home leave has been removed for C to E family duty stations. We argued that for health and other reasons it was important for families to be able to have a sponsored trip home more frequently than once every two years. We were also disappointed that the ICSC decided not to put in place a payment for staff on R&R to contribute to accommodation costs. This decision might significantly affect the choice of a staff member with a family to be mobile.

#### Hardship allowance

31. The current five hardship levels would be maintained. However, single staff and those with dependents would receive the same, with no loss for staff with dependents and gains for singles.

For staff posted to non-family duty stations, the Additional Hardship Allowance, now called Non-Family Service Allowance (NFSA) has been maintained. However, there was no longer a difference in payment by grade. The ceilings set at \$US 19,800 for staff with dependents and \$US 7,500 for staff without dependents. The decision would favour lower graded staff but would decrease the amount of benefit for higher graded staff.

For the hardship payments, the increase in payments for single staff was welcome. For the NFSA, the ICSC had earlier wanted to decrease payments for staff with families who needed to rent a second home for their families. Following our intervention, this was reversed and the result was acceptable to us.

#### Mobility allowance

- 33. A mobility allowance would be paid as an upfront payment every year for five years following a move to a non HQ duty station.
- 34. The staff federations and management were of the opinion that the mobility allowance should also apply to staff that move to HQ duty stations as mobility was disruptive regardless of the destination. This was not retained. The new proposed scheme would affect the decision of staff to be mobile and would go against the UN new policy wanting staff to be more mobile. This issue would be brought up at the General Assembly.

#### Relocation allowances (settling in and shipping costs)

- 35. Staff would continue to receive 30 days of DSA and 15 days of DSA per dependent in order to help with temporary lodging whilst they find suitable accommodation. Out-of-pocket expenses would be covered with a one-month salary and post adjustment at P-4 step 6.
- 36. The payment for shipping costs had still not been agreed upon: it had proved to be complex for the ICSC. We are pleased that settling-in costs were maintained as we, along with management, had to argue hard for it. We were concerned at the lack of progress on shipping costs in case the result should penalize staff.

#### Repatriation grant

- 37. The repatriation grant was maintained but had an additional limitation placed on it. For new staff it would be paid only after five years of service.
- 38. This benefit, which is to assist staff to reintegrate into their home countries or the country they decided to be nationalized in on leaving the UN, had been under threat but was defended by staff and management.
- 39. The full report on the outcome of the compensation review of the Professional category is contained in document FICSA/CIRC/1206.

### Mandatory age of separation

- 40. The ICSC recommended increasing the mandatory age of separation for existing staff from 60 or 62 to 65 years for all staff recruited before 1 January 2014, who wish to remain in service longer.
- 41. The text of the final ICSC text of the recommendation to the General Assembly is as follows:
- "11. The Commission decided to recommend to the General Assembly that the implementation date for raising the mandatory age of separation to age 65 for staff recruited before 1 January 2014, taking into account acquired rights, should be in 2016 and at the latest by 1 January 2017."
- 42. FICSA and CCISUA will jointly continue to make every effort to ensure that the above recommendation of the ICSC is approved at the next session of the General Assembly.

# Modification of operational rules governing the post adjustment system

- 43. The following changes were made to the operational rules for the post adjustment. The 5 per cent rule (which was designed to adjust to situations of rapid local inflation) was retained, but with the reference date reset at every post adjustment classification review, whether or not it leads to a change in classification. A restriction has also been added that the 5 per cent rule must be triggered more than three months before the date of the statutory review of the classification.
- 44. The gap closure measure (in place to address conditions where there is a significant drop in a duty station's cost-of-living indices) should be modified by eliminating the 5 per cent augmentation of the post adjustment index derived from a survey, in determining the post adjustment multiplier applicable to a duty station. Personal transition allowances would continue to be available in such situations.
- 45. The 0.5 per cent rule (maintaining the take-home salary within this range of variation) should continue to be applied in accordance with existing operational rules.
- 46. With effect from the promulgation of the unified salary scale for staff in the Professional and higher categories, rental subsidy thresholds should be established by applying thresholds calculated on the basis of the unified salary scale for staff with no dependants, and dividing it by 1.06 to derive at the threshold for staff with dependents.

### Base/floor salary scale

47. The Commission, subject to the decision of the General Assembly on its recommendation in respect of a unified salary, decided to recommend to the General Assembly for approval, with effect from 1 January 2016, the revised base/floor salary scale for the Professional and higher categories reflecting a 1.08 per cent adjustment, to be implemented by increasing the base salary and commensurately reducing post adjustment multiplier points, resulting in no change in net take-home pay.

#### Review of the common classification of occupational groups

48. The Commission decided to approve the frame work for the common classification of occupational groups and to urge organizations to utilize it.

49. The Commission also decided to request its secretariat to periodically update the common classification of occupation groups in consultation with organizations and staff.

Monitoring of the implementation of the decisions and recommendations of the International Civil Service Commission, the General Assembly and the legislative/governing bodies by organizations of the united common system

- 50. The Commission also took note of the Report and requested organizations to report in a timely manner when requested to submit information, and to implement the Commission's decisions as soon as possible.
- 51. It also requested that organizations that had not yet done so take the appropriate measures to implement the Standards of Conduct for the international civil service and report back on the status before the next session of the Commission.

# Evolution of the United Nation/United States net remuneration margin management around the desired midpoint

52. The Commission decided to 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., for the calendar year 2015, amounted to 117.2 and that its five-year (2011 – 2015) average also amounted to 117.2.

#### Adjustment to margin methodology and margin management

- 153. It was decided that the spouse allowance, if adopted, should not be included in the margin comparisons. Accordingly the United States gross salaries should be netted down by the application of the Married Filing Jointly tax schedule with the resulting grade-wise averages reduced by a factor representing the United Nations spouse allowance. It was also recommended that performance related payments should not be included in the margin comparison.
- 54. The Commission further recommended to the General Assembly to allow the margin management to fluctuate between the levels of 113 and 117 with a desirable midpoint of 115. This would allow the Commission to more actively manage the margin.

# Comparability of the Compensation systems of the United Nations and the United States of America

55. The Commission decided to report to the General Assembly that it endorsed the overall conclusion of the various comparability studies and that the compensation package and the other major elements of total rewards of the United Nations common system and of the comparator civil service were broadly comparable. This statement is very significant in that it confirms that UN salaries and benefits are reasonable and justified. Hopefully this will quiet some of the voices calling for drastic reductions.

# Survey of best prevailing conditions of employment in London

56. The local salary survey committee (LSSC) and the staff representatives were content with the salary survey that took place in London which yielded a 3.5 per cent increase. The work was concluded with no major difficulties encountered and in a transparent manner.

### Survey of best prevailing conditions of employment in New York

- 57. The staff representatives on the LSSC were in disagreement with the way the survey was conducted for two major reasons:
  - (a) Lack of sufficient number of employers. It was noted that only 13 employers participated in the survey, which is the bare minimum. One employer had issues with benchmark jobs. Also, one employer should have been eliminated from the survey as his data was as old as 2002. The employer had negotiated the salaries in 2002 and agreed with the syndicates that revision of the salaries would take place in 2010. The dialogue has not been concluded since 2010. These old salaries from 2002 cannot be reflective of the situation. In the views of the staff (LSSC and the federations) this employer should be removed. Accordingly the number of employers would fall to below the bare minimum of 13 and hence the survey would not be valid. The Chair of the ICSC addressed the matter and had kept the employers.
  - (b) The LSSC staff representatives complained about not having easy access to the data and the data analysis.
- 58. The end result was a 5.8 per cent salary decrease and, in accordance, the establishment of a secondary salary scale. The staff federations cannot accept this result for the reasons outline above. This issue will be brought up at the General Assembly.

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#### Annex

#### UNITED NATIONS



# NATIONS UNIES

# INTERNATIONAL CIVIL SERVICE COMMISSION

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# REPORT BY THE CHAIRMAN, MR. KINGSTON P. RHODES ON ACTIVITIES SINCE THE 80<sup>th</sup> SESSION OF THE COMMISSION

Vienna, 27 July 2015

Madam Deputy Director-General, Members of the Commission, Ladies and Gentlemen,

Let me extend to you, a warm welcome to the eighty-first session of the International Civil Service Commission (ICSC). On behalf of the Commission, I would like to thank the Deputy Director-General of International Atomic Energy Agency (IAEA), Ms. Janice Dunn Lee, for taking the time to be with us today at the opening of our session. We are very pleased to see you here as it also signals the significance you attach to the work of the Commission. Additionally, may I ask you to please convey to the Director-General of IAEA the Commission's gratitude for hosting the session and providing us with such fine facilities here in Vienna. We are indeed grateful and look forward to a very productive session.

This is a very important year for the Commission – we are to report to the General Assembly on the conclusions reached during the review of the compensation package, a task which has dominated the activities of the Commission during the past couple of years. Simultaneously, we reached a milestone – 40 years serving the staff and organizations of the common system. None of the Commission's accomplishments would have been achieved without the valuable contributions of the organizations and staff. Throughout the years, we have shared the same ideals and goals – to continue to improve and harmonize the conditions of service of staff of the United Nations common system and our achievements together are many and speak for themselves. Today we live in a very dynamic world where organizations continue to change in order to remain competitive and relevant. In this environment, there is indeed a greater need for the Commission to anticipate and respond to those fast-changing needs of the organizations in order to continue to attract and retain the staff with the required competencies. With all of this in mind let me direct your attention to the primary focus of the Commission and its secretariat – the Review of the common system compensation package (ICSC/81/R.2 - 4).

You may recall that the General Assembly in its Resolution 67/257 of 2013, when taking note of the Commission's decision to conduct the review, requested the Commission to bear in mind the financial situation of the common system organizations and their capacity to attract a competitive workforce. It further requested the Commission to report to it during the main part of its sixty-eighth and sixty-ninth sessions on the progress, preliminary findings and administrative

aspects of the review and to report to the Assembly as soon as possible but no later than during the main part of its seventieth session on its final conclusions and recommendations. Although the Commission had recognized that it had to work with a very tight schedule, I am pleased to report that we have been able to adhere to the schedule without jeopardizing the quality of the review.

Allow me to re-cap what has taken place thus far as regards the review. You may recall that at the Commission's 77<sup>th</sup> session in London three working groups were formed. All three working groups met prior to the spring session of 2014. Working Group 1 on the remuneration structure first met in December 2013 in New York and laid the ground work for the later stages of the review. During the next phase of the review there were four other working group meetings until June 2014. At that point, the working groups had completed their initial tasks of studying all aspects of the existing system, with particular reference to the comparator civil service with the understanding that the United States would remain the comparator for the common system. After exploring other ways to compensate expatriate workforce that are used by similarly situated employers and others, it was concluded that those approaches were not applicable to our common system as they would tie the compensation package to either the employees' home countries or the country of their assignments. Given the diversity among UN common system staff and the wide variation in the nature and location of assignments, the Commission decided that the current globalist approach continues to be the best-suited for Professional-level staff in an international civil service.

In November 2014, the working group on the Remuneration Structure met in New York and took a closer look at the salary structure, the use of steps, a number of allowances including the education grant as well as location-specific and relocation-related elements of the compensation package. Those of you who participated in that meeting will recall the intensity of discussions on various topics and the difficulty in reaching agreement.

At the Commission's 80th session held in New York in March of this year, a number of recommendations from the Working Groups were made concerning the salary scale structure, education grant, location-specific and relocation-related elements of the compensation system as well as a revised framework for the appraisal and recognition of performance which would be the basis for a proposed pay-for-performance scheme. However, the Commission was of the view that additional work needed to be done on a number of aspects of the review. Furthermore, the Commission advised that consideration had to be given to the acquired rights of staff, the costing of the new recommendations, all those elements of the compensation package which had not been finalized, the comparability of the scheme and a revised methodology for the net remuneration margin.

In order to accomplish this task the final working group on Competitiveness and Sustainability met from 18 to 22 May 2015 in Geneva. This working group examined the secretariat's approach to costing all of the proposals as well as all of the items which were still open. It also considered transitional measures and acquired rights for existing staff with reference to the response received from the Office of Legal Affairs (OLA) of the United Nations.

The Working Group on Competitiveness and Sustainability reached a number of conclusions which will be considered during the next two weeks. The proposals for a revised salary structure have largely been agreed upon but the Commission is yet to finalize a number of related items, such as the revision of the staff assessment rates used for grossing up purposes, as

well as to consider some transitional arrangements. The proposed revisions to the salary structure would also require adjustments to the current net remuneration margin methodology and recommendations are being made in that regard.

For purposes of the education grant, staff members would be reimbursed based on a sliding scale. We will be deliberating on the various aspects of the revised education grant scheme during the current session. In particular, the issues of the special education grant and exercising flexibility in providing for boarding at the H-category duty stations will be considered.

The working group reconfirmed the rationale for the repatriation grant. However, most participants were of the view that the repatriation-related assistance should start when it is really needed, i.e. after some years away from the home country. In this connection, it is proposed that eligibility for the grant should start after five years of service. For the currently serving staff, however, their acquired rights under the current scheme would be maintained. Transitional measures and acquired rights for various allowances within the compensation package will be further discussed following the finalization of the proposals by the Commission and before we close the session.

In comparing the total compensation packages of the United Nations and the United States federal civil service, the working group pointed out the difficulties in conducting such a comparison because of the differences in the underlying philosophies, availability of data and the number of assumptions that needed to be made. Nevertheless, the qualitative and quantitative comparative analysis of the two packages, complemented by additional recent studies of major individual elements such as pensions, insurance, leave etc., had shown that the two packages were largely comparable.

As regards post adjustment, document ICSC/81/R.9 includes (among other topics) selected aspects of the post adjustment system that have been reviewed in the context of the compensation review. You may recall that at the conclusion of the meeting of the Advisory Committee on Post Adjustment Questions (ACPAQ) held in February 2015, the Committee concluded that there was no statistical methodological ground to support or oppose any of the modification of the operational rules governing the post adjustment system that was proposed by the secretariat. In the view of ACPAQ, the Commission may take whatever decision it deemed appropriate in the context of the comprehensive review without prejudice to the principles underlying the post adjustment system. Accordingly, at the Commission's 80<sup>th</sup> session, it requested that its secretariat conduct further analysis and submit specific proposals on modifications to the operational rules governing the post adjustment system. All of these items and others relating to the review will be thoroughly discussed over the next few days.

One item not related to the review but of great concern to staff and organizations and which will be considered during this session is the Mandatory Age of Separation (ICSC/81/R.5). You will recall that in the Commission's 2013 annual report, the Commission had decided to recommend that the mandatory age of separation be raised to 65 for all staff effective January 2016. At that time the General Assembly in its resolution 68/253 decided to defer its decision and to request the Commission to undertake further analysis in consultation with relevant stakeholders. Last year, the Commission submitted the results of its analysis and, as a result, the General Assembly, in resolution 69/251, decided to raise the mandatory age of separation to 65 for staff recruited before 1 January 2014, taking into account acquired rights of staff. In

conjunction with its decision, the Assembly asked the Commission to decide on an implementation date and revert to it at its earliest opportunity but no later than the GA seventy-first session in 2016. In response to the General Assembly's request, I consulted with the executive heads of the organizations. Based on the responses received, it appears that the majority of the organizations which responded are in favour of an implementation date not earlier than 1 January 2018.

#### Other activities of the secretariat

In order to ensure that the newly proposed package is competitive with other similar international organizations, the staff of the secretariat did a reference check of specific items of our package. Consultations were held with the World Bank and the International Monetary Fund in June 2015. Detailed information was collected from both organizations on the level and calculation of certain benefits and the reasons for introducing them. Those consultations were very helpful to the staff in making the final recommendations to the Commission.

The secretariat conducted salary surveys of General Service and other locally-recruited staff, in New York, London and Geneva. After an extension of the data collection period in New York the survey was completed in April 2015 and is being presented to the Commission for consideration during this session. Data collection for the London survey was also completed and will be considered as well. Preparations are underway for the data collection in Geneva which is scheduled for September 2015 and the results of the exercise will be considered by ICSC next spring.

An annual activity of the secretariat is its mid-year review on the Classification of duty stations according to the conditions of life and work and the designation of non-family duties stations. In June 2015, the tripartite working group comprising the ICSC secretariat, representatives of staff and organizations met and made recommendations for classification of some 60 duty stations and the designation of another 476 non-family duty stations.

As regards the review of the common classification of occupational groups, you may recall that at its eightieth session, the Commission reviewed a revised version of the Common Classification of Occupational Groups prepared by a technical working group comprising its secretariat, and representatives from the organizations and staff. At the time, members of the Commission were concerned about the significant reduction in the occupational groups which in their view could make it difficult to make precise comparisons between occupational groups both internally and with external organizations in the future. As a result all common system organizations were asked to review the proposed changes and provide feedback to the secretariat. Based on the responses received from the organizations, the technical working group, comprising seven organizations and FICSA, re-convened in June and re-drafted its proposal (ICSC/81/R.6) which will be presented to the Commission for approval.

Finally, in keeping with what is becoming a regular and growing aspect of the work programme of the secretariat, a delegation from Indonesia was briefed by the secretariat staff on various aspects of the United Nations compensation system.

#### Conclusion

In closing, let me say what I am sure we all recognize that the efficient, effective and sustainable delivery of the continuously evolving mandates of the UN organizations depends on the quality of its staff and the availability of resources. The proposed compensation review package is being designed with this concern in mind.

Past attempts to conduct similar reviews have resulted in incomplete outcomes. The current compensation review process, however, adopted a holistic approach taking into consideration all aspects of the common system benefit package.

We have been working collaboratively, in a transparent and consultative manner with all parties. As a result, the proposed initiative reflects diverse interests including those of staff, organizations, and Member States

Allow me to conclude by expressing my gratitude for your cooperation and engagement throughout this process and my expectation that we continue working closely and productively at this session. I would like to reiterate ICSC's commitment to work collaboratively toward a cohesive and strong United Nations common system with competitive and dynamic workforce with a common UN identity and sense of purpose.

Thank you.

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