



Industrial Development Board

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Item 10 of the provisional agenda

Personnel matters

Personnel matters

Report by the Director General

In line with staff regulations 13.3 and 13.4, the present document provides information on personnel-related matters in the Secretariat, common system developments and amendments made to the staff rules and regulations. The report complements the information provided in the *Annual Report of UNIDO 2015* (IDB.44/2, chapter 5 and appendices (i) and (j)). For cost saving purposes, annexes III, IV and V are included in a conference room paper (IDB.44/CRP.5) which is issued at the same time as the present document.

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I. Developments on personnel-related matters

1. Effective 16 June 2016, UNIDO promulgated a policy on its Internship Programme, highlighting the importance placed by the Organization in building partnerships with interns.
2. Effective 1 July 2016, UNIDO revised the policy on the Individual Service Agreement (ISA), to include clearer job profiles used to support technical cooperation in headquarters and the accompanying levels of remunerations.
3. Effective 2 August 2016, UNIDO promulgated the policy on the Junior Professional/Associate Expert Programme, underscoring the valuable contribution by participating Member States to the human capital of the Organization.
4. During 2015 and 2016, UNIDO issued updates on the following social security schemes: Group Insurance Plan comprising Long-Term Care; Temporary Disability Insurance Plan; Group Medical Expenses Insurance for General Service Staff and National Officers in Field Duty Stations; National Project Personnel Plan Fellows and Study Tour Participants Plan; Austrian Health Insurance Scheme and other branches of the Austrian Social Security Scheme; and the Austrian Social Security Scheme — Schedule of premiums and remuneration ceilings.

II. Common system developments affecting UNIDO staff regulations and rules

A. Conditions of service applicable to the Professional and higher category

Adoption of the revised common system compensation package

5. On 23 December 2015, the General Assembly approved resolution 70/244,¹ defining a revised compensation package for the staff in the Professional and higher categories, based on the recommendations of the International Civil Service Commission (ICSC).² The elements of the new compensation package are as explained below. The UNIDO Staff regulations and rules are proposed to be amended to reflect the endorsement of the compensation package by the General Assembly.
6. The proposed amendments to the staff regulations are shown in conference room paper IDB.44/CRP.5 which complements the present document. New text is underlined and deletions are shown in square brackets. The amendments are submitted through the Board for final approval by the General Conference.
7. **A unified salary scale** will replace the present dual (single and dependency) rate scale. The new scale will comprise of 13 steps for grades P-1 to P-5. Within-grade step increments will be awarded annually from step I to step VII and biennially thereafter for grades P-1 to P-5. At the D-1 and D-2 levels, biennial steps

¹ Available from www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/70/244.

² *Official Records of the General Assembly, Seventieth Session, Supplement No. 30 (A/70/30)* available from www.un.org/ga/search/view_doc.asp?symbol=A/70/30.

are maintained in accordance with the current system although additional steps are introduced. Accelerated step increments will be discontinued. The unified salary scale will be adjusted in January 2017 to reflect any adjustment that may be approved before its implementation.

8. The family status of the staff members will be taken into account through the introduction of:

(a) **Dependent spouse allowance** at the level of 6 per cent of net remuneration;

(b) **Single parent allowance** at the level of 6 per cent of net remuneration which will be paid to staff members who are single parents and who provide main and continuous support for their dependent children. The allowance will be paid in respect of the first dependent child, in lieu of the child allowance.

9. The staff assessment rates applied to the gross salary have been revised and will be reviewed two years after the implementation of the revised compensation package.

10. **Transitional measures** will apply to serving staff members with dependents (spouse and/or children) at the time of conversion to the unified salary scale.

11. The Organization will conduct a grade and step matching of staff for conversion to the unified salary scale structure. The salary levels of staff members that were higher than the maximum steps of their grade upon conversion to the unified salary scale will be maintained as a pay protection measure. Those salaries should be adjusted for any consolidation of post adjustment to base salaries approved by the General Assembly.

12. A personal pensionable remuneration will be established for staff members whose pensionable remuneration immediately prior to the conversion to the unified salary scale was higher than their pensionable remuneration on the unified salary scale. The pensionable remuneration corresponding to those salaries when the pensionable remuneration scale is adjusted will also be maintained and adjusted.

13. **Mobility, relocation and home leave:** On relocation-related issues staff members will be entitled to the following: relocation travel, relocation or partial relocation shipment and a settling-in-grant. The non-removal allowance will be discontinued. The rates of the mobility and hardship allowances are also amended and a non-family service allowance is introduced in lieu of the additional hardship allowance. Upon separation from service, staff members remain entitled to a repatriation grant which for new staff members require a minimum of 5 years of service.

14. The entitlement to home leave is maintained. The one-year cycle will only remain for duty stations classified as D and E that do not fall under the rest and recuperation framework.

15. **Education grant and special education grant for disabled children:** The education grant scheme is entirely restructured and will be implemented for the school year in progress in January 2018. The grant will be payable until the child completes four years of post-secondary studies or attains the first post-secondary degree, whichever comes first (the upper age limit of 25 years remains). The revised package introduces one global sliding scale for reimbursement consisting of seven

brackets. Admissible expenses are limited to tuition fees (including mother tongue language tuition) and enrolment-related fees.

16. Boarding expenses (a flat amount) and education grant travel (one round-trip per scholastic year) will only apply to staff members posted in a field duty station, for primary and secondary education levels and when boarding at a school outside of the staff member's duty station.

17. **Special education grant for children with disabilities:** the current scheme continues to apply (100 per cent reimbursement) albeit with a revised ceiling.

18. **Implementation dates of the elements of the revised compensation package:** The UNIDO staff regulations and the staff rules of the 100 and 200 are proposed to be amended to enable implementation of the new compensation package in line with General Assembly resolution 70/244 of 23 December 2015 as detailed above.

19. The revised compensation also requires adjustments to the Organization's enterprise and resource planning (ERP) system initiated immediately after the adoption of the resolution.

20. Unless otherwise specified in the present document, the amendments to the staff regulations and staff rules will be implemented within the timeline decided by the General Assembly insofar as the technical modifications required to UNIDO's ERP system are safely and accurately operational.

Evolution of the net remuneration margin and salary scale for Professional and higher categories

21. **Schedule I to the staff regulations.** In its resolution 70/244 the General Assembly approved, with effect from 1 January 2016, the revised base/floor scale of gross and net salaries for staff in the Professional and higher categories. The revised salary scale is contained in Annex I and is in compliance with the approved methodology to adjust the salary scale for professional and higher categories through the post adjustment system.

22. The revised salary scale was implemented on a "no-loss/no-gain" basis, i.e. it was accompanied by a corresponding reduction in the post adjustment multipliers for all duty stations. The net remuneration remains therefore the same, except for very minor changes due to rounding. The changes are reflected in Schedule I to the staff regulations.

B. Conditions of service applicable to the General Service category

Salary scale for staff in the General Service Category

23. **Appendix A to the staff rules.** In accordance with the Flemming principle, conditions of employment of the General Service (GS) category of staff match the best on offer at the duty station. Such conditions are determined through periodical local salary surveys at all duty stations. In-between the salary surveys, interim adjustments are implemented, calculated on the basis of movements of an appropriate wage or price index or a combination of indices.

24. On that basis, the GS salary scale in Vienna was adjusted on 1 November 2015 and reflects an increase of 1.3 per cent (Annex II to this document).

25. The increased costs under salaries and related common staff costs for the General Service category at headquarters were estimated at around €180,000 per year (€140,000 under the regular budget and €40,000 under the operational budget) and could be absorbed under the existing budgetary provisions.

C. Conditions of service applicable to all categories of staff

Mandatory age of separation for all categories of staff

26. With resolution 69/251 of 29 December 2014, the General Assembly decided to raise the mandatory age of separation to 65 years for staff recruited before 1 January 2014, taking into account their acquired rights. A recommendation as to the implementation date was still pending. The General Assembly decided that organizations should implement the measure by latest 1 January 2018 (resolution 70/244, I). Accordingly, an amendment to regulation 10.2 is included in Annex III (IDB.44/CRP.5) for the Board to recommend its approval by the next General Conference.

United Nations Appeals Tribunal

27. With resolution 63/253 of 17 March 2009 the General Assembly decided to abolish the United Nations Administrative Tribunal and to transfer its functions to the United Nations Appeals Tribunal. Regulation 12.2 is amended accordingly (Annex III, IDB.44/CRP.5).

III. Action required by the Board

28. The Board may wish to consider the adoption of the following draft decision:

“The Industrial Development Board

(a) Takes note of the information contained in document IDB.44/15 and conference room paper IDB.44/CRP.5;

(b) Welcomes General Assembly resolution 70/244 dated 23 December 2015 on “United Nations Common System: report of the International Civil Service Commission”, by which the General Assembly approved the revised compensation package for staff members in the Professional and higher categories;

(c) Notes amended appendix A to the 100 series of the staff rules (salary scales for staff in the General Service category, effective as of 1 November 2015), contained in annex II to document IDB.44/15;

(d) Also notes amended schedule I (salary scale for the Professional and higher categories, effective as of 1 January 2016) and amended schedule V (repatriation grant) to the staff regulations,³ contained in annexes I and III to the report by the Director General (documents IDB.44/15 and IDB.44/CRP.5), by which

³ Schedule V is re-numbered as schedule IV in annex III to document IDB.44/15.

the Director General brought the schedules into conformity with General Assembly resolution 70/244;

(e) Further notes the amendments to the 100 and 200 series of the staff rules, made on 1 July 2016 and contained in annexes IV and V issued in conference room paper IDB.44/CRP.5, by which the Director General implemented General Assembly resolution 70/244 with respect to the hardship allowance, the non-family service allowance and the mobility incentive (staff rules 106.13, 106.14, 206.14 and 206.15 and appendix N); the settling-in grant (staff rules 109.09 and 206.13); reallocation and partial relocation entitlements (staff rules 109.11, 109.12, 109.14, 209.11, 209.12 and appendix H); and the repatriation grant (appendix I);

(f) Approves provisionally, in accordance with staff regulation 13.2, the amendments to the following staff regulations set out in annex III (contained in IDB.44/CRP.5):

(i) Staff regulation 9.2 relating to travel and relocation expenses;

(ii) Staff regulations 6.1, 6.2, 6.9, 6.10, 6.11, 7.3 and 13.3 and the schedules and annexes to the staff regulations, relating to the periodicity of salary increments, the dependent spouse allowance, the single-parent allowance, dependency allowances for dependent children, the introduction of unified salary scales, staff assessment and home leave, which shall come into effect provisionally as of 1 January 2017;

(iii) Staff regulation 6.12 relating to the education grant, which shall come into effect provisionally as for the school year in progress in January 2018;

(iv) Staff regulation 12.2 relating to appeals by staff alleging non-observance of the Regulations and Rules of the United Nations Joint Staff Pension Fund;

(g) Authorizes the Director General to modify the effective dates of the provisional amendments referred to in subparagraph (f) above in order to harmonize arrangements for the introduction of the revised compensation package among members of the common system;

(h) Recommends, in accordance with staff regulation 13.2, that the General Conference finally approve the provisional amendments referred to in subparagraph (f) above;

(i) Also recommends, pursuant to staff regulation 13.1, that the General Conference approve the amendments to staff regulation 10.2 relating to the mandatory age of separation, set out in annex III (contained in IDB.44/CRP.5), and that amended staff regulation 10.2 come into effect as of 1 January 2018;

(j) Requests the Director General to promulgate the required additional amendments to the staff rules relating to staff assessment, post adjustment, the dependent spouse allowance, the single-parent allowance, home leave and the education grant, and to report such amendments to the Board in conformity with staff regulation 13.4.”

Annex I

Schedule I — Salary scale for the Professional and higher categories

Salary scale for the Professional and higher categories showing annual gross salaries
and the net equivalents after application of staff assessment
(United States dollars)

Effective 1 January 2016

		<i>S T E P S</i>														
<i>LEVEL</i>		<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>	<i>IX</i>	<i>X</i>	<i>XI</i>	<i>XII</i>	<i>XIII</i>	<i>XIV</i>	<i>XV</i>
Director																
D-2	Gross	144 751	147 815	150 920	154 117	157 314	160 510									
	Net D	114 668	116 905	119 144	121 382	123 620	125 857									
	Net S	105 345	107 233	109 114	110 990	112 861	114 721									
Principal Officer																
D-1	Gross	132 290	134 984	137 668	140 362	143 055	145 742	148 437	151 174	153 980						
	Net D	105 572	107 538	109 498	111 464	113 430	115 392	117 359	119 322	121 286						
	Net S	97 583	99 289	100 994	102 692	104 389	106 081	107 766	109 451	111 130						
Senior Officer																
P-5	Gross	109 449	111 738	114 029	116 315	118 608	120 895	123 188	125 475	127 766	130 055	132 344	134 632	136 923		
	Net D	88 898	90 569	92 241	93 910	95 584	97 253	98 927	100 597	102 269	103 940	105 611	107 281	108 954		
	Net S	82 586	84 072	85 552	87 032	88 510	89 981	91 454	92 923	94 390	95 853	97 316	98 771	100 229		
First Officer																
P-4	Gross	90 038	92 080	94 122	96 162	98 205	100 264	102 475	104 685	106 895	109 101	111 314	113 521	115 730	117 941	120 151
	Net D	74 130	75 743	77 356	78 968	80 582	82 193	83 807	85 420	87 033	88 644	90 259	91 870	93 483	95 097	96 710
	Net S	69 032	70 499	71 969	73 431	74 895	76 358	77 820	79 278	80 736	82 193	83 646	85 100	86 554	88 004	89 454
Second Officer																
P-3	Gross	74 013	75 903	77 794	79 680	81 572	83 461	85 348	87 241	89 129	91 019	92 911	94 799	96 690	98 578	100 505
	Net D	61 470	62 963	64 457	65 947	67 442	68 934	70 425	71 920	73 412	74 905	76 400	77 891	79 385	80 877	82 369
	Net S	57 379	58 751	60 126	61 497	62 873	64 244	65 615	66 991	68 361	69 735	71 103	72 473	73 838	75 209	76 577
Associate Officer																
P-2	Gross	60 715	62 405	64 095	65 786	67 477	69 165	70 857	72 544	74 235	75 928	77 615	79 306			
	Net D	50 965	52 300	53 635	54 971	56 307	57 640	58 977	60 310	61 646	62 983	64 316	65 652			
	Net S	47 803	49 015	50 223	51 434	52 642	53 853	55 083	56 310	57 542	58 770	59 995	61 228			
Assistant Officer																
P-1	Gross	47 464	48 976	50 516	52 146	53 767	55 392	57 016	58 644	60 265	61 887					
	Net D	40 344	41 630	42 908	44 195	45 476	46 760	48 043	49 329	50 609	51 891					
	Net S	38 056	39 239	40 423	41 605	42 786	43 969	45 151	46 319	47 481	48 644					

D = Rate applicable to staff members with a dependent spouse or child.
S = Rate applicable to staff members with no dependent spouse or child.

Annex II

Appendix A to the staff rules

Salary scales for staff in the General Service category showing annual gross,
gross pensionable and net salary after application of staff assessment
(Euros)

Effective 1 November 2015

	STEPS											
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII*
G-1 Gross	30 540	31 539	32 559	33 599	34 638	35 677	36 716	37 755	38 795	39 834	40 873	41 912
Gross pens.	30 017	31 019	32 021	33 022	34 024	35 024	36 027	37 029	38 031	39 032	40 035	41 035
Net	24 156	24 925	25 694	26 463	27 232	28 001	28 770	29 539	30 308	31 077	31 846	32 615
G-2 Gross	35 588	36 793	37 999	39 204	40 409	41 615	42 820	44 026	45 231	46 436	47 642	48 909
Gross pens.	34 941	36 100	37 259	38 418	39 576	40 734	41 893	43 053	44 210	45 368	46 526	47 686
Net	27 935	28 827	29 719	30 611	31 503	32 395	33 287	34 179	35 071	35 963	36 855	37 747
G-3 Gross	41 507	42 905	44 304	45 703	47 101	48 536	50 036	51 536	53 036	54 536	56 036	57 536
Gross pens.	40 630	41 976	43 318	44 662	46 006	47 350	48 694	50 037	51 380	52 773	54 171	55 571
Net	32 315	33 350	34 385	35 420	36 455	37 490	38 525	39 560	40 595	41 630	42 665	43 700
G-4 Gross	48 399	50 133	51 868	53 603	55 338	57 072	58 807	60 542	62 277	64 012	65 746	67 481
Gross pens.	47 221	48 776	50 333	51 903	53 522	55 141	56 760	58 379	59 997	61 617	63 233	64 853
Net	37 395	38 592	39 789	40 986	42 183	43 380	44 577	45 774	46 971	48 168	49 365	50 562
G-5 Gross	56 894	58 901	60 909	62 916	64 923	66 930	68 938	70 945	72 952	74 959	76 967	78 974
Gross pens.	54 984	56 853	58 724	60 595	62 465	64 335	66 206	68 075	69 946	71 816	73 687	75 557
Net	43 257	44 642	46 027	47 412	48 797	50 182	51 567	52 952	54 337	55 722	57 107	58 492
G-6 Gross	66 742	69 062	71 383	73 703	76 023	78 343	80 664	82 984	85 304	87 625	89 945	92 265
Gross pens.	64 165	66 328	68 490	70 653	72 815	74 976	77 140	79 452	81 768	84 089	86 409	88 728
Net	50 052	51 653	53 254	54 855	56 456	58 057	59 658	61 259	62 860	64 461	66 062	67 663
G-7 Gross	78 130	80 819	83 507	86 196	88 884	91 572	94 261	96 949	99 638	102 326	105 014	107 703
Gross pens.	74 783	77 291	79 980	82 666	85 353	88 041	90 729	93 416	96 102	98 790	101 476	104 163
Net	57 910	59 765	61 620	63 475	65 330	67 185	69 040	70 895	72 750	74 605	76 460	78 315

* Long-service step.

The qualifying criteria for in-grade increase from step XI to step XII are as follows:

(a) The staff member should have had at least 20 years of service within the United Nations common system and five years of service at step XI of the current grade;

(b) The staff member's service should have been satisfactory.

Language allowance: For the first additional language, €1,651 per year net, for the second additional language, €825 (to be included in pensionable remuneration).

Increment: Salary increments within the levels shall be awarded annually, on the basis of satisfactory service.

Non-resident's allowance: €1,889 per year net (to be included in pensionable remuneration) for eligible staff appointed prior to 1 September 1983 and nil thereafter for staff serving in Vienna.