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Proposed programme budget for 2021

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 2020

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

Summary

The present statement, submitted pursuant to rule 153 of the rules of procedure of the General Assembly, contains a description of the administrative and financial implications arising from the recommendations of the International Civil Service Commission for the common system that call for decisions by the Assembly, in particular for the proposed programme budget for the year 2021. In the interest of providing comprehensive information, the statement also includes the implications for the budgets of peacekeeping operations for the 2020/21 and 2021/22 peacekeeping financial periods.

Should the General Assembly approve the recommendations of the Commission, there would be no financial implications for the programme budget of the United Nations for 2020. The financial implications for the proposed programme budget for the year 2021 are estimated at \$2,169,000 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. The resource requirements for peacekeeping operations are estimated at \$1,763,400 for the financial period 2020/21, and the requirements for the financial period 2021/22 are estimated at \$3,526,800 and would be taken into account, as necessary, in the context of the performance reports for the period 1 July 2020 to 30 June 2021 and in the context of the upcoming proposed budgets for the financial period from 1 July 2021 to 30 June 2022.



I. Introduction

1. The annual report of the International Civil Service Commission for 2020 (A/75/30) contains decisions and recommendations giving rise to financial implications for the proposed programme budget of the United Nations Secretariat for the year 2021, and for the budgets of peacekeeping operations starting with the financial period 2020/21, related to the following issues:

- (a) Base/floor salary scale;
- (b) Children's and secondary dependant's allowances;
- (c) Danger pay.

II. Base/floor salary scale

2. The Commission recommended that an increase in the base/floor salary of 1.90 per cent as at 1 January 2021 be implemented by increasing the base/floor salary scale and commensurately decreasing post adjustment multiplier points, resulting in no-loss/no-gain in net take-home pay. The Commission recalled that the base scale adjustment procedure, while generally cost-neutral in terms of net remuneration, would have implications in respect of separation payments.

3. The financial implications associated with the Commission's recommendation on an increase of the base/floor salary scale are estimated by the Commission at \$858,000 per annum, system-wide. Consequently, the financial implications are estimated at \$152,300 for the proposed programme budget of the Secretariat for the year 2021. The financial implications for peacekeeping operations are estimated at \$54,800 for the financial period from 1 July 2020 to 30 June 2021 and \$109,500 for the financial period from 1 July 2021 to 30 June 2022.

III. Children's and secondary dependant's allowances

4. The children's allowance is currently set at \$2,929 per annum, the disabled child allowance at \$5,858 per annum and the secondary dependant's allowance at \$1,025 per annum.

5. The Commission recommended a 10 per cent increase in the allowances and recommended that: (a) the children's allowance be set at \$3,222 per annum; (b) the disabled child allowance be set at \$6,444 per annum; and (c) the secondary dependant's allowance be set at \$1,128 per annum.

6. The financial implications associated with the increase of 10 per cent in the children's and secondary dependant's allowances, effective 1 January 2021, are estimated at \$11.3 million per annum, system-wide. In this regard, the financial implications are estimated at \$1,320,700 for the proposed programme budget of the Secretariat for the year 2021. The financial implications for the peacekeeping operations are estimated at \$475,000 for the financial period from 1 July 2020 to 30 June 2021 and \$950,000 for the financial period from 1 July 2021 to 30 June 2022.

IV. Danger pay

7. The current rate of the danger pay allowance, which was reviewed most recently in 2017, is set at \$1,600 per month for internationally recruited staff and at 30 per

cent of the net midpoint of the applicable General Service salary scales for locally recruited staff that were in effect in 2016.

8. In accordance with the established schedule, the Commission carries out periodic reviews of the level of danger pay for both categories of staff every three years. Following discussion in the Commission, the Commission decided to:

(a) Update the level of danger pay for internationally recruited staff to \$1,645 per month, with effect from 1 January 2021;

(b) Update the monthly level of danger pay for locally recruited staff with effect from 1 January 2021 by updating the reference year of the salary scales on which the calculations were based, from 2016 to 2019, and applying 30 per cent to the net midpoint of the latest General Service salary scales in effect in 2019 divided by 12.

9. The financial implications resulting from the Commission's decision to increase the danger pay allowance are estimated by the Commission at \$6.5 million per annum, system-wide. In this regard, the financial implications are estimated at \$696,000 for the proposed programme budget of the Secretariat for the year 2021. The financial implications for peacekeeping operations are estimated at \$1,233,650 for the financial period from 1 July 2020 to 30 June 2021 and \$2,467,300 for the financial period from 1 July 2021 to 30 June 2022.

V. Conclusions and recommendations

10. **The financial implications arising from the decisions and recommendations of the International Civil Service Commission are summarized as follows:**

(a) **The financial implications for the proposed programme budget of the United Nations are estimated at \$2,169,000 for the year 2021;**

(b) **The financial implications for the budgets of peacekeeping operations for the financial period 2020/21 are estimated at \$1,763,400, and the requirements for the financial period 2021/22 are estimated at \$3,526,800.**

11. **Should the General Assembly approve the recommendations of the Commission:**

(a) **Requirements for the year 2021 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 2020 to 30 June 2021 and in the context of the upcoming proposed budgets for the financial period from 1 July 2021 to 30 June 2022.**