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Executive Board – Eighty-eighth Session
Rome, 13-14 September 2006

**REMUNERATION OF GENERAL SERVICE STAFF AT THE
ROME-BASED AGENCIES OF THE UNITED NATIONS**

**RESPONSE TO THE RECOMMENDATION OF THE INTERNATIONAL CIVIL
SERVICE COMMISSION: RETROACTIVE ADJUSTMENT OF THE
GENERAL SERVICE SALARY SCALE**

For: Approval

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Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

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Gary Howe

Director, Office of Strategic Planning and Budget

tel.: +39-06-5459-2262

e-mail: g.howe@ifad.org

Queries regarding the dispatch of documentation for this session should be addressed to:

Deirdre McGrenra

Governing Bodies Officer

tel.: +39-06-5459-2374

e-mail: d.mcgrenra@ifad.org

RECOMMENDATION FOR APPROVAL

The Executive Board is invited to approve the recommendation for submission to the Governing Council, for a vote by correspondence, of a request to approve a proposed special retroactive expenditure on General Service Staff Costs, as set forth in paragraph 6.

REMUNERATION OF GENERAL SERVICE STAFF AT THE ROME-BASED AGENCIES OF THE UNITED NATIONS

RESPONSE TO THE RECOMMENDATION OF THE INTERNATIONAL CIVIL SERVICE COMMISSION: RETROACTIVE ADJUSTMENT OF THE GENERAL SERVICE SALARY SCALE

1. As a specialized agency of the United Nations, IFAD observes the remuneration levels and terms of service of the United Nations Common System, and has traditionally complied with recommendations of the International Civil Service Commission (ICSC).¹ At its sixty-second session, the ICSC considered and approved the findings of a salary survey on best prevailing conditions of employment of the General Service and related categories at the Rome-based agencies of the United Nations.

2. On the basis of the findings of the survey, which was conducted according to a methodology acknowledged by the Food and Agriculture Organization of the United Nations (FAO), the World Food Programme (WFP) and IFAD, the ICSC has recommended that the salary scales of General Service staff at the Rome-based United Nations agencies should be increased by 12.16%, retroactive to 1 November 2005. Following established practice,² IFAD will seek to implement this recommendation in close coordination with its sister Rome-based agencies. In this regard, FAO and WFP will be presenting their proposals for implementing the ICSC recommendation in the third quarter of 2006.

3. The incremental financial implications to IFAD of implementing the recommendation with respect to the years 2005 and 2006 are estimated at approximately US\$4.3 million, of which US\$1.4 million for the period November-December 2005 and US\$2.9 million for the period January-December 2006.

4. The 2006 programme of work and budget set a cap on administrative costs (i.e. the administrative budget and the Programme Development Financing Facility) at 17.1% of the programme of work. The administrative budget approved by the Governing Council for 2006 was US\$61.1 million, which included a provision of approximately US\$0.9 million for ICSC-recommended increases in staff costs. Mindful of the 2006 cap on administrative costs as a percentage of the programme of work, IFAD will finance implementation of the ICSC recommendation as it relates to 2006 on the basis of:

- (a) the provisions made in the 2006 administrative budget for ICSC-recommended increases in staff costs;
- (b) a targeted freeze on the hiring of new staff against the administrative budget as from 1 July 2006;
- (c) a conservative approach to staff promotions; and
- (d) use of savings in agreed payments against accruals.

¹ IFAD has observer status with the ICSC and, as such, is not legally bound to implement its recommendations, although in the past it has done so in order to remain competitive with the other Rome-based organizations that have acceded to the ICSC convention, i.e. the Food and Agriculture Organization of the United Nations and the World Food Programme.

² Similar increases were recommended by the ICSC in 1990 and 1998 and implemented by IFAD

5. With regard to the costs of the ICSC recommendation as it applies retroactively to the period November-December 2005, IFAD's 2005 financial statements have been finalized and audited, and thus no resources can be made available under the authorized administrative budget for 2005, which is now closed. Therefore, the Executive Board is requested to recommend that the President submit to the Governing Council a request to approve a special retroactive expenditure on staff costs in the amount of US\$1.4 million. Considering the length of the delay in adjusting the salaries of General Service staff pending the issuance of the ICSC recommendation, prompt action in the interest of equity and staff morale is called for.

RECOMMENDATION

6. It is recommended that the Executive Board authorize the President to submit to the Governing Council, for a vote by correspondence (rather than waiting until the Council's thirtieth session in February 2007), a request to approve a special retroactive expenditure on staff costs in the amount of US\$1.4 million as set forth in paragraph 5. The respective draft resolution for approval by the Governing Council is attached.

**DRAFT RESOLUTION ON THE AUTHORIZATION OF A
SPECIAL RETROACTIVE EXPENDITURE ON STAFF COSTS**

The Governing Council of IFAD,

Taking into account the recommendation of the International Civil Service Commission for a revision of the salary scales for General Service staff at the Rome-based agencies of the United Nations retroactive to 1 November 2005,

Noting that IFAD's 2005 financial statements have been finalized and audited,

Having considered the recommendation of the Executive Board at its eighty-eighth session that the Governing Council be requested to approve, through a vote by correspondence, **a special retroactive expenditure on staff costs** in the amount of US\$1.4 million to finance implementation of the retroactive adjustment of the General Service staff salary scale for the period November-December 2005;

Decides that:

A special retroactive expenditure on staff costs in the amount of US\$1.4 million be made available to cover increases in General Service staff costs for the period November-December 2005; and that

The said special retroactive expenditure on staff costs be applied to staff costs for General Service staff salaries for the period November-December 2005.