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Item No. 4 on the Agenda: Implementation of the new compensation and social security package offered to UNIDROIT staff

(prepared by the UNIDROIT Secretariat)

<i>Summary</i>	<i>Update regarding the implementation of the new compensation and social security package offered to UNIDROIT staff</i>
<i>Action to be taken</i>	<i>To take note of the update regarding the implementation of the compensation and social security reforms and to consider possible next steps</i>
<i>Related documents</i>	<i>A.G. (76) 7 rev., A.G. (76) 10, F.C. (83) 9, F.C. (81) 5, F.C. (81) 6 rev.</i>

1. Following an extensive review, at its 83rd session (Rome, 21 September 2017), the Finance Committee recommended the adoption of important compensation and social security reforms, which would improve UNIDROIT's sustainability by enhancing staff mobility and ensuring that UNIDROIT was an attractive workplace (UNIDROIT 2017 – F.C. (83) 9, Item No. 9). At its 76th session (Rome, 7 December 2017), the General Assembly adopted those reforms, together with the necessary revisions to the UNIDROIT Regulations. The General Assembly further provided the Secretariat with flexibility in the timing of their implementation, which would be reviewed by the Finance Committee. Accordingly, the Secretariat provides the following update regarding the implementation of the compensation and social security reforms and possible next steps.

I. COMPENSATION

2. At its 76th session (Rome, 21 December 2017), the General Assembly adopted the recommended transition of UNIDROIT staff to the UN salary scales and, pursuant to the Secretary-General *a.i.*'s request, provided flexibility in the timing of their implementation (UNIDROIT 2017 – A.G. (76) 10, paras. 62-64).

3. Following the session, the Secretariat requested and obtained a concise expert report from the compensation consultant, which provided (a) updated staff placements on the UN salary scales, based on the former Secretary-General's guidance and the latest salary information for staff; and (b) a series of bullet points on how those placements were made, the particular salary charts that

were used and the applicable time periods for step increases. After the consultant's report was reviewed, the Secretariat submitted a few clarification requests, to which the consultant promptly responded.

4. With the consultant's report, the Secretariat was in a position to implement the transition to the UN salary scales localised for Rome and, as of February 2018, all staff have been transitioned to those salary scales.

II. SOCIAL SECURITY

5. At its 76th session (Rome, 21 December 2017), the General Assembly adopted the recommended pension scheme as well as the plan for health and related insurances and, pursuant to the Secretary-General *a.i.*'s request, provided flexibility in the timing of their implementation (UNIDROIT 2017 – A.G. (76) 10, paras. 69-70).

6. Since the session, the Secretariat has been in contact with the International Service for Remunerations and Pensions regarding next steps for the establishment and implementation of the new pension scheme. The Secretariat has also been following up on the rates for health and related insurances.

7. The Secretariat's efforts to implement the new pension and health plan remain ongoing, including identifying those staff members who might wish to join the new plan and forecasting the hiring of new staff to estimate the plan's growth. The Secretariat is working towards implementation within the timeframe discussed during the General Assembly's 76th session (Rome, 7 December 2017).

8. The Secretariat intends to provide a further update at the Finance Committee's 84th session (Rome, 15 March 2018), as well as at its 85th session, to be held in Rome in late September or the first half of October 2018.

III. POSSIBLE NEXT STEPS

9. Having been noted during the review of the compensation and social security package offered to UNIDROIT staff, the Finance Committee may wish to consider (a) a review and update of the UNIDROIT Regulations and (b) the further development of job descriptions for UNIDROIT staff.

10. Regarding a possible review and update of the UNIDROIT Regulations, the Secretariat would recall that the revisions made to the UNIDROIT Regulations at the General Assembly's 76th session were "minimalist adaptations of the Regulations to allow for implementation of the reforms" (UNIDROIT 2017 – A.G. (76) 10, para. 54). The Finance Committee may wish to consider whether further changes are needed, in order to ensure that the Regulations are both consistent and up to date.

11. Regarding the further development of job descriptions for UNIDROIT staff, the Secretariat would recall that there was a call for preparing job descriptions in connection with the review of the compensation and social security package offered to UNIDROIT staff (UNIDROIT 2017 – A.G. (76) 10, paras. 22, 56-59). The Secretariat would further recall that, as stated by the Secretary-General *a.i.* at the General Assembly's 76th session (Rome, 7 December 2017) in response to inquiries about performance management and job descriptions:

a performance evaluation system was in place and that the consideration and further development of job descriptions was indeed contemplated. With regard to the latter

point, [the Secretary-General *a.i.*] recalled that the former Secretary-General had seen the transition to the UN salary scales as the first step and then the examination, together with the Finance Committee, of the need to have job descriptions as the second step. In this regard, transitioning to the UN approach would allow UNIDROIT to make use of that approach's structure and qualifications, which established basic requirements for various grades and steps and upon which UNIDROIT's job descriptions could be built. At the same time, however, it was important to keep in mind that UNIDROIT, as a small organisation, necessarily required flexibility with respect to the various jobs and responsibilities in order for it to be able to function well (UNIDROIT 2017 – A.G. (76) 10, para. 59).

12. *The Finance Committee is invited to take note of the updates regarding the implementation of the compensation and social security package offered to UNIDROIT staff and to consider whether it wishes to conduct a review of the UNIDROIT Regulations or to further develop job descriptions.*