



# General Assembly

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## Sixty-eighth session

Item 142 of the provisional agenda\*

### Joint Inspection Unit

## Lump-sum payments in lieu of entitlements

### Note by the Secretary-General

#### Addendum

The Secretary-General has the honour to transmit to the members of the General Assembly his comments and those of the United Nations System Chief Executives Board for Coordination on the report of the Joint Inspection Unit entitled “Lump-sum payments in lieu of entitlements” (see [A/68/373](#)).

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\* [A/68/150](#).



*Summary*

The report of the Joint Inspection Unit entitled “Lump-sum payments in lieu of entitlements” (see [A/68/373](#)) provides an assessment of the use of the lump-sum option for selected entitlements and explores the value of harmonizing lump-sum policies and practices across the United Nations system.

The present note reflects the views of organizations of the United Nations system on the recommendations provided in the report. The views of the system have been consolidated on the basis of inputs provided by member organizations of the United Nations System Chief Executives Board for Coordination (CEB), which welcomed the report and supported its conclusions.

## I. Introduction

1. In its report entitled “Lump-sum payments in lieu of entitlements” (see [A/68/373](#)), the Joint Inspection Unit considered the current and possible future application of the lump-sum option for selected entitlements to determine whether it saves on overhead costs and offers greater flexibility for staff while minimizing any financial implication for the Organization. The Unit further deliberated whether there was a need to harmonize existing lump-sum procedures and establish acceptable and consistent calculation criteria and procedural rules, particularly to ensure fairness to staff working in different organizations of the United Nations system, and especially those in the same duty station.

## II. General comments

2. Agencies of the United Nations system welcome the report along with its analysis and key findings on strengths, challenges and opportunities for improvements in future application of the lump-sum option for staff entitlements. Agencies agree that the use of such payments, if applied consistently and equitably across the system, can reduce the administrative burden of processing travel requests and result in significant budget savings for organizations.

3. Agencies further suggest that an analysis of the use of lump-sum payments in other areas may prove valuable, as long as they are based on adequate indicators and the methodology is harmonized across the United Nations common system. Therefore, agencies suggest that instead of examining and revising lump-sum usage in a few selected areas, as is the case in the report, the Joint Inspection Unit may consider approaching the issue more holistically, perhaps in conjunction with, or part of, the overall review of the compensation package that has recently begun within the International Civil Service Commission (ICSC).

## III. Specific comments on recommendations

### Recommendation 1

**The legislative/governing bodies of United Nations system organizations should request their respective executive heads to prepare a report on the usage of the lump-sum option for home leave travel which, inter alia, would compare the costs for providing the lump-sum option with those of organizing the travel for the eligible headquarters-based staff members for a period of two years. Upon consideration of the report, the legislative/governing body should decide in 2015 whether to take any action deemed appropriate.**

4. Organizations generally support the concept embodied in recommendation 1, which, they note, calls for agencies to conduct a comparative analysis of the costs of providing a lump-sum option and is directed at legislative bodies, but they also raise several concerns. Agencies indicate that while they understand the rationale behind the analysis, they also note that any analysis of this nature incurs costs, which may prove difficult to identify at a time when administrative support capacities have been significantly reduced. Agencies suggest that as a significant amount of relevant data has already been collected by the Joint Inspection Unit across the United

Nations system, and bearing in mind that the decision on the lump sum would affect all organizations of the United Nations system, the Unit may consider conducting this analysis as a continuation of its report. Alternatively, agencies suggest that the recommended comparative study base its analysis on a statistically relevant data sample entailing the use of the most common city pair across the United Nations system rather than a more comprehensive study.

5. In addition, agencies suggest that an analysis of a single lump-sum type may not prove cost-effective, and, as noted in the general comments, they indicate that a more complete analysis of the broad range of lump-sum payments may prove valuable, especially since a review of the entire compensation package is also being conducted by ICSC.

#### **Recommendation 2**

**The executive heads of United Nations system organizations should ensure, if they have not already done so, that the International Civil Service Commission daily subsistence allowance rates are fully complied with, including the disbursement of the relevant percentage for meals and incidental expenses when accommodation is provided.**

6. Agencies welcome and support recommendation 2, citing the need to ensure that staff members across the United Nations common system travelling to the same location are treated equally. Several agencies note that applying the recommendation may require modifications or enhancements to existing automated systems, and therefore a cost-benefit analysis should guide final decisions by individual agencies.

#### **Recommendation 3**

**The legislative/governing bodies of United Nations system organizations should request their respective executive heads to suspend, if that is not already the case, the payment of an additional daily subsistence allowance (15 or 40 per cent) to those officials travelling on organizational budgets.**

7. Noting that recommendation 3 is directed at legislative bodies, United Nations agencies support the measures it proposes. Some agencies acknowledge that, as noted in the recommendation, the payment of an additional daily subsistence allowance has already been suspended. Other agencies, notably the United Nations Secretariat through General Assembly resolution [67/254](#), section VI, retained the status quo for members of organs and/or subsidiary organs, committees, councils and commissions of the United Nations.

#### **Recommendation 4**

**The Secretary-General, in his capacity as Chair of the United Nations System Chief Executives Board for Coordination, and through the latter's finance and budget, as well as its human resources networks, should adopt a unified methodology for calculating the cost of implementing the statutory entitlement when the staff member concerned selects the lump-sum option for him/herself or an eligible family member.**

8. While agencies support recommendation 4 and highlight the need to address the disparity in the payment of the lump-sum amounts across the system, they nevertheless recognize the difficulties of implementing a standard that takes into

account equitably the exigencies of all agencies, especially those with staff deployed in hardship and difficult duty stations. Agencies suggest that, in order to enhance harmonization, lump-sum amounts should be jointly determined by all United Nations organizations of the same duty station and reviewed on a regular basis.

#### **Recommendation 5**

**The executive heads of United Nations system organizations should adopt a lump-sum amount to cover all travel-related expenses when a staff member and his/her eligible family members undertake home leave travel when the organization purchases the air tickets.**

9. Agencies note that recommendation 5 is intended to correct deficiencies in the lump-sum approach for home leave travel, and its implementation may streamline existing arrangements. However, while organizations recognize that overall cost-effectiveness is a major component of the present report, they also note that not all travel will incur additional costs beyond transportation (such as vaccinations, visa and renewal of travel documents, et al.). Therefore, agencies suggest that providing a lump sum for all home leave travel expenses may not prove cost-effective, and they call for additional analysis of the benefits and efficiency gains envisioned before implementing this recommendation.

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