



**Western and
Central Pacific
Fisheries
Commission**

FINANCE AND ADMINISTRATION COMMITTEE

Seventeenth Session

Rarotonga, Cook Islands (Hybrid)

December 3-8, 2023

**Report from the Informal Intersessional Working Group (IWG)-Tri-Annual Salary
Market Review and Professional Staff Remuneration**

WCPFC20-2023-FAC17-09

13 November 2023

Report from the FAC Co-Chairs

Purpose

1. The purpose of this paper is to summarize deliberations of the Informal Intersessional Working Group (IWG)-Tri-Annual Salary Market Review and Professional Staff Remuneration and provide related recommendations for the consideration of FAC and the Commission.

Overview

2. The informal IWG convened pursuant to the direction given by the Commission through Paragraph 438 of the WCPFC19 Summary Report. The IWG considered issues related to simplified salary scales, conversion to USD exchange rates, inflationary salary increases, the content and frequency of salary reviews, and potential changes to staff and financial regulations. The FAC Co-Chairs chaired the IWG in close collaboration with the WCPFC Finance and Administration Manager on behalf of the Secretariat. The IWG included representatives from Australia, Canada, Cook Islands, Indonesia, and the United States and conducted its work via email correspondence.

3. The Co-Chairs prepared an informal non-paper and indicative salary tables to provide initial considerations, options, and questions for discussion among the IWG participants. The Co-Chairs disseminated the paper on April 12 and requested responses by May 5.

4. The IWG participants that responded to the initial request for input expressed general support for aligning staff salaries, including the Executive Director, on a simplified WCPFC salary scale. The group also provided support for changing the denomination of professional staff salaries from IMF Special Drawing Rights (SDR) to U.S. Dollars for greater clarity and to align with the currency of the Commission's budget and financial accounts. The Co-Chairs and participants explored various options for a fair exchange rate to transition to USD given recent exchange rates and historical averages and ranges. The Co-Chairs suggest FAC consider an initial conversion exchange rate from current salaries of 1 SDR=1.45 USD based on historic averages and recent trends, which would help to ensure "changes to staff salaries do not result in lower remuneration for existing professional staff."

5. The lack of automatic salary increases for professional salary staff, other than the Executive Director, has contributed to the need for regular, frequent salary reviews and a perceived disconnect in staff salaries and how they adjust to account for inflation. IWG participants generally supported benchmarking all professional staff salary increases to the changes in the UN-D1 salary that already applies to the Executive Director. This will mitigate the need for regular salary reviews, which sometimes focused on whether and how to increase professional staff salary while also considering broader differences in remuneration policies

across organizations. These automatic salary increases tied to changes in the UN-D1 salary up to 5% would be included in the proposed budget each year and would still need to be approved by the Commission before taking effect.

6. Assuming automatic increases in professional staff salary are included in the budget, then participants could support reducing the frequency of staff salary reviews. The group proposes reducing the frequency from every three years to every eight years, though the Executive Director or the Commission could always request a review if warranted. The Co-Chairs also noted that in previous years some FAC members were not satisfied by the content of triannual salary reviews performed by outside consultants, and believe that it would be helpful to provide guidance to ensure more relevant benchmarks are included in those reviews (including salaries in other comparable organizations, such as similar RFMO secretariats) and, when appropriate, to ensure that such reviews can help inform any “job-sizing” reviews of professional staff to ensure professional staff salaries are set at appropriate levels.

7. There were no comments from IWG members opposing continued work in the general direction outlined in the initial paper prepared by the Co-Chairs. No IWG participants suggested fundamentally different approaches, or provided additional data or new ideas to inform recommendations pertaining to broader questions related to WCPFC professional staff remuneration, job-sizing, or benchmarking with other comparable organizations.

8. Following additional email correspondence with the IWG, the Co-Chairs worked with the WCPFC Finance and Administration Manager and WCPFC’s Legal Advisor to draft changes to the WCPFC Staff Regulations that would give effect to the preliminary recommendations supported by the working group. The Co-Chairs shared recommended edits to the regulations with the working group on October 3 and received some expressions of support and no comments in opposition or further edits by the deadline of October 6.

Recommendations

9. The Committee is invited to discuss this paper and consider the following recommendations:

- FAC recommends the Commission approve placing all professional staff on one simplified salary scale (Table 4 of attachment b).
- FAC recommends the Commission approve converting the professional staff salary scale from Special Drawing Rights (SDR) to USD, with a proposed initial conversation exchange rate from current salaries of 1 SDR=1.45 USD.
- FAC recommends the Commission use the annual inflationary changes provided in the UN D1 salary scale to automatically include equivalent percentage increases (up to 5%) for all professional staff salaries in the proposed budget.
- FAC recommends the Commission change the regular salary review to every 8 years or as needed/requested by the Commission or Secretariat, while recognizing the importance

of ensuring those salary reviews are more comprehensive and provide benchmarks to the most relevant organizations and, where appropriate, information to support job-sizing exercises.

- FAC recommends the Commission adopt the attached proposed changes to the staff regulations to give effect to these recommendations and make other technical or conforming edits.

Attachments:

- a. Proposed Changes to Staff Regulations
- b. Salary Tables Comparison
- c. Initial Non-Paper from FAC Co-Chairs for Discussion (April 2023)

Table 1

Existing Salary scales in SDR - no changes from current scales

Band/Step	1	2	3	4	5	6	7	8	9	Range within Grade
M	70,004	74,381	78,757	83,136	87,510	91,887	96,266	100,643	105,005	150%
L	58,203	61,842	65,481	69,123	72,763	76,404	80,045	83,678	87,302	150%
K	49,740	51,936	54,129	56,322	58,514	60,708	62,900	65,096	67,302	135%
J	38,175	39,862	41,547	43,234	44,920	46,607	48,294	49,980	51,644	135%
I	27,339	28,709	30,080	31,450	32,822	34,191	35,560	36,934	38,287	140%

Table 2

Existing Salary scales converted to USD at a rate of 1 SRD to 1.45 USD

Band/Step	1	2	3	4	5	6	7	8	9	Range within Grade
M	101,506	107,852	114,198	120,547	126,890	133,236	139,586	145,932	152,257	150%
L	84,394	89,671	94,947	100,228	105,506	110,786	116,065	121,333	126,588	150%
K	72,123	75,307	78,487	81,667	84,845	88,027	91,205	94,389	97,588	135%
J	55,354	57,800	60,243	62,689	65,134	67,580	70,026	72,471	74,884	135%
I	39,642	41,628	43,616	45,603	47,592	49,577	51,562	53,554	55,516	140%

Table 3

Removal of the M Band and ED Salary Scale included at UN-D1 rate (reduced from 13 steps to 9 steps)

Grade/Step	1	2	3	4	5	6	7	8	9	Range within Grade
1	137,890	142,027	146,288	150,676	155,196	159,852	164,648	169,587	174,415	126%
2	84,394	89,671	94,947	100,228	105,506	110,786	116,065	121,333	126,588	150%
3	72,123	75,307	78,487	81,667	84,845	88,027	91,205	94,389	97,588	135%
4	55,354	57,800	60,243	62,689	65,134	67,580	70,026	72,471	74,884	135%
5	39,642	41,628	43,616	45,603	47,592	49,577	51,562	53,554	55,516	140%

Table 4

Scales from table 3 spread over 9 steps and bottom step increased in some grades so all bands besides the ED have a similar range within the grade

Grade/Step	1	2	3	4	5	6	7	8	9	Range within Grade
1	137,890	142,027	146,288	150,676	155,196	159,852	164,648	169,587	174,415	126%
2	93,600	97,204	100,946	104,832	108,868	113,060	117,413	121,933	126,588	135%
3	72,123	74,936	77,858	80,895	84,050	87,328	90,733	94,272	97,588	135%
4	55,354	57,513	59,756	62,086	64,507	67,023	69,637	72,353	74,884	135%
5	41,092	42,838	44,659	46,557	48,535	50,598	52,748	54,990	55,516	135%

Grade	Band	Position
1	UN D1	Executive Director
2	L	Senior Managers
3	K	Managers
4	J	Assistant Managers
5	I	None

**WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION
(WCPFC)**

STAFF REGULATIONS

December 2018 Edition

as adopted at the 2ND Annual Session,

Pohnpei, Federated States of Micronesia, 12-16 December 2005, and subsequent amendments

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**STAFF REGULATIONS
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as adopted at the 2ND Annual Session,
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**WESTERN AND CENTRAL PACIFIC FISHERIES COMMISSION
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STAFF REGULATIONS

2006 Edition

as adopted at the 2ND Annual Session,

Pohnpei, Federated States of Micronesia, 12-16 December 2005

PART I: SCOPE AND APPLICATION

Regulation 1: Scope and application

- (a) These Regulations set out the mutual obligations and rights of WCPFC employees. The Annual Session has approved them. They are administered by the Executive Director whose decision on the interpretation of the Regulations is final.
- (b) Where the interpretation affects the Executive Director, the decision will rest with the Chairperson.
- (c) When the Executive Director is absent from the Secretariat, he or she may delegate his or her authority in writing under these Regulations.
- (d) These Regulations apply to all professional and support staff on appointment to the Commission. They remain in effect until amended by an Annual Session.
- (e) They do not apply to temporary or short term staff, casual workers or consultants unless the contrary is specified in their employment agreement, or where other conditions have been agreed in writing.
- (f) If any part of these Regulations becomes contrary to the laws of Federated States of Micronesia, or where they are silent, the laws of Federated States of Micronesia will apply.
- (g) These Regulations may be supplemented or amended by the Annual Session without prejudice to the existing contracts of staff members except where the staff member has consented to vary his or her contract in accordance with the amendments.
- (h) The Executive Director may supplement these Regulations with Staff Instructions not inconsistent with these Regulations or with any decisions made by the Annual Session and further, may issue such Staff Instructions necessary to render these Regulations effective.

PART II: DEFINITIONS

Regulation 2: Definitions

In these Regulations, unless the context otherwise requires:

"allowances" means remuneration other than base salary but does not include money received to meet expenses incurred by an employee in the course of duty.

"Annual Session" means the governing organ of WCPFC established under Article 9 (3) of the 2000 Convention for the Management and Conservation of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean.

"Chairperson" means the person elected to the position of chairman as provided for in Article 9(4) of the 2000 Convention for the Management and Conservation of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean.

“**CROP**” means the Council of Regional Organisations in the Pacific.

"**dependent**" means the financially dependent spouse or dependent child of an employee.

"**dependent child**" means an employee's unmarried, legally and financially dependent, natural or legally adopted child who is:

- (i) under the age of 16 years; or
- (ii) under the age of 19 years if undertaking full-time study at a secondary school; or
- (iii) under the age of 23 years if enrolled and undertaking full-time study at a university or other tertiary institution; or
- (iv) mentally or physically incapacitated.

"**employee**" is a general term which according to the context may mean support staff, professional staff, temporary staff or all three.

"**establishment**" or "**established position**" means the Commission's staff structure and staff positions approved by the Annual Session.

"**expatriate**" means a professional staff member, not a citizen or permanent resident of Federated States of Micronesia, who resides in Federated States of Micronesia only by virtue of employment with the Commission.

"**headquarters**" means the location of the principal office of the Secretariat as provided for in Article 9 (7) of the 2000 Convention for the Management and Conservation of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean.

"**home**" means the location agreed between the Commission and an employee as the principle place of residence for recruitment, repatriation and leave purposes and stipulated in the employment contract.

"**local staff**" means a salaried staff member who is not an expatriate.

"**professional staff**" include the Executive Director and other staff engaged under a fixed term contract whose salary level falls within the CROP Grades H to M with an appointment to a position of professional or managerial responsibility on the WCPFC professional staff salary scale.

"**remuneration policy**" means the basis for remuneration approved by the Annual Session.

"**salary**" means the basic annual rate of pay for the established position which is specified in WCPFC's base salary scale annexed at Schedule 1 and 2 to these Regulations and for the time being in effect.

"**staff**" or "**staff member**" means support staff and professional staff appointed to an established position.

"**support staff**" are staff engaged under a fixed term contract whose appointed to a position salary level fall within the CROP Grades A to F on the WCPFC support staff salary scale.

"**The Act**" means the 1961 Vienna Convention on Diplomatic Relations.

"**WCPFC**" or "**the Commission**" means the Western and Central Pacific Fisheries Commission.

PART III: DUTIES AND OBLIGATIONS

Regulation 3: Status as International Civil Servants

The Executive Director and all members of the staff of the Commission are international civil servants. Their responsibilities are but exclusively international. By accepting appointment, they pledge themselves to discharge their functions and to regulate their conduct with the interests of WCPFC only in view.

Regulation 4: Responsibility of the Commission

The Executive Director is responsible for the proper functioning of the Commission. Staff members are subject to the authority of the Executive Director and shall not seek or receive, in the performance of their duties, any instruction from any external authority.

Regulation 5: Privileges and Immunities

Under Articles 7, 8 and 11 of the Headquarters Agreement between Federated States of Micronesia and WCPFC on Diplomatic Privileges:

- (a) The Executive Director shall have the like privileges and immunities as are accorded a diplomatic agent under the Act and in conformity with international law.
- (b) The members of the family of the Executive Director forming part of his or her household shall have the like privileges and immunities as are accorded the members of the family of a diplomatic agent under the Act and in conformity with international law.
- (c) Staff of the Commission other than the Executive Director shall have the like privileges and immunities as are accorded to members of the administrative and technical staff of a mission under the Act and in conformity with international law.
- (d) Members of the family of staff of the Commission other than the Executive Director forming part of his/her household shall have the privileges and immunities as are accorded to members of the family of a member of the administrative and technical staff of a mission under the Act and in conformity with international law.

Regulation 6: Disclosure of Information

Staff shall exercise the utmost discretion in regard to all matters of official business. They shall not communicate to any person or the press any unpublished information known to them by reason of their official position, except in the course of their duties or by authorization of the Executive Director. All rights in, and title to, the results of any work performed by staff in the course of their duties shall be the property of the Commission.

Regulation 7: Conduct

Staff shall avoid any action, and in particular any kind of public pronouncement or activity, which may adversely reflect on their positions as international civil servants. They are not expected to give up their national sentiments or their political and religious convictions, but they shall at all times bear in mind the reserve and tact incumbent upon them by reason of their international status.

Regulation 8: Outside Activities

No staff may accept, hold or engage in any office or occupation which, in the opinion of the Executive Director, is incompatible with the proper discharge of their duties with the Commission, unless explicit approval is granted by the Executive Director.

Regulation 9: Candidacy for Public Office

Any staff member who becomes a candidate for a public office of a political character shall resign from the Commission.

Regulation 10: Acceptance of Honours, Decorations, Favours, Gifts or Fees

- (a) No staff shall accept in respect of their work for the Commission any honour or decoration from any government or organisation or, except with the approval of the Executive Director, any favour, gift or fee from any government, organisation or person during the period of their appointment.
- (b) With respect to the Executive Director, the approval of the Chair of the Commission is required.

PART IV: APPOINTMENT AND PROMOTION

Regulation 11: Appointment of Executive Director and Staff

(a) The Executive Director is appointed by the Annual Session or by a special session or by intersessional decision under such terms and conditions as the Commission determines. The selection, interview and appointment process for the Commission's Executive Director is contained in Schedule 3 to the Staff Regulations.

Executive Director - Exercise of Powers

(b) If a vacancy for Executive Director occurs unexpectedly and the new Executive Director cannot be elected before the departure of the incumbent, the Chairperson of the Commission shall, after consultation with Members and Participating Territories, decide on an interim Executive Director, preferably from the existing professional staff of the WCPFC Secretariat, until the earliest time the process under paragraph can be undertaken.

(c) If appointed for longer than four weeks, the interim Executive Director shall be compensated at the lowest increment of the salary scale for an Executive Director if the lowest increment is higher than the interim Executive Director's current salary and provided with business class for travel in the capacity of Executive Director. All other benefits provided to the Executive Director under Schedule 1 and those contained in Executive Director's contract shall not apply to the interim Executive Director.

(d) When the Executive Director is absent from Headquarters, he or she will designate a senior professional staff member as the Officer-in-Charge.

Staff

(e) The power of appointment rests with the Executive Director subject to the establishment and remuneration policy approved by the Annual Session.

(f) When appointing staff, the Executive Director shall comply with the Commission's recruitment procedures and will ensure that these processes are transparent, equitable and based on merit.

Regulation 12: Appointment Policy

(a) In selecting staff for appointment to the Commission, the dominant considerations shall be:

- (i) the required qualifications and experience
- (ii) competence
- (iii) personal integrity

(b) Subject to Regulation 12(a) above, and the principle of open competition, the Executive Director shall, in selecting professional staff, give due consideration to the nationals of WCPFC Member states, participating territories and entities and to the desirability of obtaining equitable national representation.

(c) When a support staff vacancy occurs the vacancy will be advertised in the Pohnpei media. When a professional staff vacancy occurs the vacancy will be advertised internationally.

(d) When two applicants for a support staff position are rated equally suitable, and one is a Commission employee, preference shall be given to the existing staff member.

(e) The Executive Director shall appoint staff at a level within the designated salary grade, based on qualifications and experience.

(f) The Executive Director shall review the performance of staff annually.

(g) Men and women are equally eligible for all posts in the Commission.

(h) Education and housing allowances are to be regarded as benefits associated with appointment to a professional grade, rather than compensation for staff that relocate in order to take up an appointment"

Regulation 13: Appointment Procedure

- (a) No appointment is valid which is not the subject of a written offer of employment signed by the Executive Director or his or her authorized representative, and a written acceptance signed by the appointee. Every offer of employment shall be in a standard format and shall contain a statement of duties, all the terms and conditions of employment and a copy of these Staff Regulations.
- (b) An appointment is either temporary or on a fixed or short term contract. The length of appointment of a temporary or contract staff member is set by the Executive Director according to the requirements of the work programme and available funding.
- (c) The term of appointment of a support staff member shall not exceed a maximum of four (4) years. Such period may be extended for a term or terms of up to the same duration, subject to the work programme requirements and available funding and provided the employee's work performance has been satisfactory.
- (d) A temporary appointment may not exceed a period of six (6) months.
- (e) A fixed term appointment for professional staff shall not exceed a maximum of four (4) years. A short term appointment for professional staff is for any period less than four (4) years and is subject to such terms and conditions as the Executive Director determines, but within the salary scale applicable to the Commission. Subject to Regulation 13 (g) a short-term appointment may be renewed for a further term or terms.
- (f) Subject to Regulation 13(g), a fixed term appointment of four (4) years for professional staff is renewable, based on the needs of the Commission, and the merit and performance of the employee, for a further period not exceeding four (4) years.
- (g) When an aggregate period of eight (8) years has been served by professional staff it shall be mandatory for that position to be re-advertised. The incumbent is eligible to apply and should the Executive Director decide to reappoint the incumbent on merit he/she may do so provided a report is made to the next Annual Session.
- (h) The length, terms and conditions of appointment may be varied by mutual agreement in writing of the Executive Director and the employee subject to the establishment and remuneration policy set by the Annual Session. Duties of staff may be revised at any time by the Executive Director in accordance with changes in work priorities.
- (i) Appointment is provisional until confirmed. Appointment is subject to a satisfactory medical examination by a designated medical practitioner and a probationary period of six (6) months' service which may be extended or reduced by the Executive Director. At the end of the probationary period the Executive Director shall in writing:
 - (i) confirm the appointment; or
 - (ii) extend the probationary period; or
 - (iii) terminate the appointment.
- (j) The appointment of:
 - (i) an expatriate runs from the date of leaving home to take up appointment with the Commission;
 - (ii) a local employee from the date of taking up duties with the Commission.
- (k) Salary is earned for an expatriate staff from the date set in accordance with Regulation 13 (j)(i) and for a local employee from the date set in accordance with Regulation 13(j)(ii).

Regulation 14: Promotion

- (a) A support staff member is promoted when appointed to a position higher than his or her current position.
- (b) A promotion is a variation to the terms of an appointment and is subject to Regulation 13(h).

Regulation 15: Termination

Ways of Termination

- (a) An appointment of a staff member other than the Executive Director is terminated -
 - (i) when being a fixed term appointment it reaches the end of its term; or
 - (ii) by either the Executive Director or the staff member giving the other one (1) month's notice in writing; or
 - (iii) without notice by either the Executive Director or the employee paying to the other one (1) month's salary in lieu of notice;
 - (iv) when the parties mutually agree to an early termination of the employment contract, on terms and conditions agreed at the time;
 - (v) when the Executive Director provides notice of termination in writing to the staff member in circumstances of redundancy, retrenchment or restructuring; or
 - (iv) as a disciplinary measure by dismissal with or without notice under Regulation 30(b).
- (b) Where mutual agreement exists, a temporary suspension of the employment contract is available. During such period of temporary suspension, the rights, obligations and benefits to which parties are entitled may lapse.
- (c) During the term of the employment contract, if, as a result of mental or physical illness, a staff member is rendered incapable, in the Executive Director's opinion, of proper performance of duties under the Agreement, the Executive Director reserves the right to require the staff member to undergo a medical examination. The Executive Director will take into account recommendations made available to him or her, before exercising their rights of suspension.
- (d) If, due to the continuing effects of illness or injury, medical opinion indicates that the staff member will remain unable to perform normal job requirements for a period in excess of four (4) months in any one (1) year, the Executive Director reserves the right to exercise suspension, awaiting medical opinion as to the staff member's capacity to return to normal duties.

Dispute Resolution

- (e) Conditions for dispute resolution will be reflected in individual staff contracts and are not restricted to, but will include, the following:
 - (i) In the event that either party to the employment contract has any reasonable grievance or dispute in relation to the interpretation or operation of the employment contract which cannot be resolved through discussions or negotiation, the parties shall agree a process to resolve the matter within one (1) month of receipt of written notification of the grievance or dispute by the Chair of the Commission.
 - (ii) If the Executive Director is dissatisfied with a staff member's performance at any stage throughout the duration of their contract, the Executive Director shall discuss the matter with the staff member with a view to resolution. If the matter remains unsolved, it must be submitted to an agreed mediator for the purpose of conciliation.
 - (iii) During the dispute resolution process, work shall continue in the normal manner unless there is a bona fide safety issue involved.
 - (iv) This Regulation does not apply to a decision to terminate the contract under Regulation 15 (a).

Seconded Staff

- (f) Before dismissing or giving notice to a staff member who is seconded from a member government the Executive Director shall inform the government in question.

Notice of contract expiry or renewal

(g) The Executive Director may ensure that staff receive notice approximately six (6) months prior to the expiration of their contracts of the decision either to renew the contract or that the contract is to expire in accordance with its terms. If no such notice is given prior to contract expiry there is no implied or explicit indemnity payable.

Letter of Service

(h) A staff member shall, on leaving the service of the Commission, be given a letter relating to the nature of his or her duties, the length of service, the amount of emoluments, and other relevant information.

Retention of Pay

(i) Upon leaving the service, any debts of a staff to the Commission shall be deducted from any money due to the said staff from the Commission.

(j) The Secretariat may retain, for three (3) months from the final working day, up to US\$500 of payment due to staff upon termination for any reason and to pay out of that sum any debts of the said staff left outstanding for which the Commission might become liable with appropriate advice in writing being given to the said staff.

PART V: ENTITLEMENTS ON APPOINTMENT AND TERMINATION

Regulation 16: Entitlements

(a) The Commission shall meet the following appointment and termination expenses of professional staff recruited from outside Pohnpei. The entitlements cover the transport and accommodation en-route for the staff member and accompanying dependents between home and Pohnpei, and back, by the shortest and most economical route. The Executive Director has discretion, after taking family circumstances into account, to include dependents who arrive within six (6) months of the start of appointment or leave within one (1) month of termination.

Fares

(b) Executive Director: business class. The Executive Director's dependents, other staff and their dependents: economy class.

Removal Expenses

(c) The reasonable cost of packing, insuring, shipping and transporting furniture, household and personal effects as follows-

(i) A single shipment of up to a 20 foot container;

(ii) Up to 20 kilos of excess baggage per person for all professional staff and their dependents recruited outside Pohnpei.

(iii) Compensation shall not be made if the entitlement is not used.

Establishment Grant

(d) To offset incidental expenses and compensate for the upheaval of removal, an establishment grant on appointment only at the rate prescribed in Schedule 1 to these Regulations.

Temporary Accommodation

(e) Accommodation at a suitable hotel or other fully furnished accommodation for up to six (6) working days or such other period, as the Executive Director considers reasonable in the circumstances. Professional staff will not be paid housing assistance for the period when temporary accommodation costs are met.

Ineligibility

(g) The entitlements prescribed in Regulation 16(a) do not apply and, at the Executive Director's discretion, may be withheld in whole or in part if:

- (i) all or part of the expenses are met from some other source; or
- (ii) within 12 months of appointment the staff member resigns appointment under Regulation 15(a) (ii) or (iii) or is dismissed under Regulation 30(b) (iv) or (v).

PART VI: HOURS OF WORK

Regulation 17: Normal Hours

- (a) In addition to normal working hours, the Executive Director has the right to call upon the services of staff under exceptional circumstances.
- (b) Normal office hours are 8 am to 12 noon and 1 pm to 4.35 pm Monday to Friday, making a total of 37 hours 55 minutes per week.

Regulation 18: Overtime

Eligibility

(a) Support and temporary staff may claim overtime or time off in lieu of overtime for the hours they are required to work in excess of their normal working hours.

Overtime Rates of Pay

- (b) The rates of pay for overtime are:
 - (i) for days other than public holidays and Sundays, one and half (1.5) times the normal hourly rate
 - (ii) for Sundays or public holidays, double (2) the normal hourly rate.

Meal Allowance

(c) Support staff required to work overtime for more than six (6) hours on a Saturday, Sunday or public holiday, or beyond 6.30 pm on a full working day, shall be paid lunch and dinner allowances as appropriate at rates approved by the Executive Director.

Transport Assistance

- (d) Support staff required to work more than one (1) hour's overtime on a normal working day shall be taken home by the Commission's transport, if it is available, and if not, by taxi at the Commission's expense, or otherwise is entitled to an allowance under Regulation 29(e).
- (e) Support staff required to work overtime on weekends or public holidays shall be;

- (i) taken to and from work by the Commission's transport, if it is available, and if not, by taxi at the Commission's expense: or
- (ii) entitled to claim an allowance under Regulation 29(e).

PART VII: REMUNERATION

Regulation 19: Determination and Currency of Payment

Remuneration policy

- (a) The remuneration policy and conditions of service of Commission employees are determined by the Annual Session.
- (b) The remuneration of all Commission staff shall be expressed and paid in United States Dollars (US\$).

Stabilization, Salary Adjustment and Review

~~(c) — As a stabilization mechanism, the remuneration of professional staff are denominated in International Monetary Fund Special Drawing Rights (SDRs). Monthly salary and allowances payments are based on the semi-annual average rate SDR/USD within a range of 5% above and below a reference rate set annually being the average conversion rate of the previous 6 months.~~

~~(c) Professional staff salary scales are to be reviewed every three-eight (83) yearsly, in conjunction with CROP agencies or earlier at the as request ed by of the Executive Director or the Commission and as agreed by the Commission. Reviews shall include comparisons of salaries and total remuneration of similar positions in CROP agencies and, comparable RFMOs, and may include comparisons of other relevant organizations as determined by the Commission. The review may include a job-sizing exercise if the Executive Director considers it necessary, subject to approval of the Commission.~~

~~(d) For professional staff, proposed annual increases in salaries due to inflation will be tied to the annual movement in the UN D1 salary scale. For professional staff, other than the Executive Director, any amount increase over 5% requires the approval of the Commission.~~

(e) The salaries of support staff are to be reviewed every three (3) yearsly, with salary scales to be adjusted to the 75-percentile range of comparable positions in the Pohnpei employment market, based on a Pohnpei market survey. For the purpose of this provision, the 75-percentile range is the boundary between the top 25% of the market and the lower 75%.

(f) For support staff salary, an annual market survey will be conducted to determine inflation. ~~— Inflation Increases in salary due to inflation,~~ up to 5% annually, will be automatically included in the annual budget for support staff. Any ~~amount increase~~ over 5% ~~will need requires~~ the approval of the Commission.

Regulation 20: Salaries

General

- (a) Current salary scales approved by the Annual Session are set out in Schedule 2(a) and (b) to these Regulations and shall be incorporated annually to the Commission's Work Programme and Budget.

Salary on Appointment

- (b) The Executive Director shall have the flexibility to appoint professional and support staff to whatever salary step is considered appropriate by the Executive Director within the designated salary grade.
- (c) Appointments shall be subject to annual performance review by the Executive Director.

Salary on Promotion

(d) Appointment on promotion is at the minimum of the salary range for the higher position or, if the salaries for the two positions overlap, to the level of the higher salary range which affords an immediate salary increase equal to one incremental step.

Increments

- (e) The Executive Director may authorize an increment to a staff member at the completion of each year of service based on the staff member's annual performance assessment and where he/she has not reached the maximum of the salary grade for his/her position. Where the staff member's performance has not been considered highly satisfactory, the Executive Director or his/her delegate will explain to the staff member why he/she will not receive an increment, or in the case of poor performance, why his/her salary will be reduced by an increment.
- (f) For support staff, the Executive Director may authorize an increment in recognition of permanent increases in formal skill levels of that staff, relevant to his/her duties in the Commission; or where the Executive Director is satisfied that the staff has permanently increased his/her capacity to accept responsibility in his/her duties within the Commission.

Performance bonus

- (g) Where a support staff has reached the maximum salary point in his/her approved salary scale and where that employee's work performance is assessed as having been highly satisfactory on completion of a particular year's service, the Executive Director may grant a fixed sum performance bonus payment to that staff, provided that any such bonus:
 - (i) is not made as a permanent increase in the salary of the staff;
 - (ii) can be fully financed from available budgetary provision in that year; and
 - (iii) shall not exceed 5% of the staff's current salary.

PART VIII: ALLOWANCES AND RELATED BENEFITS

Regulation 21: Higher and Extra Duties Allowances

- (a) Any staff member may at any time be required by the Executive Director to undertake the duties of a senior or other position whether or not the circumstances justify increased pay.
- (b) A staff member who is required by the Executive Director to carry out and does carry out the duties of a higher graded position for a continuous period of not less than ten (10) working days may be paid a higher duties allowance up to the lowest salary point of the of the higher graded position for the period. Where the lowest salary point of the higher graded position is lower than the salary of the staff member concerned, the higher duties allowance will be assessed up to the salary point of the higher graded position immediately above the salary point of the staff member taking on the higher duty for the period.

Regulation 22: Representational Allowance

The Commission shall reimburse the Executive Director for all reasonable expenses up to \$US5,000 per annum for expenses incurred in association with representational duties for the Commission and which are properly incurred and receipted by the Executive Director in the course of his/her employment.

Regulation 23: Professional Staff and Expatriate Allowances

In addition to base salary, expatriate professional staff are entitled to receive the following allowances and benefits:

School holiday travel

- (a) One (1) return economy class flight each year between place of education and Pohnpei by:
 - (i) each dependent child being educated outside Federated States of Micronesia; or

- (ii) the staff member or spouse to visit the child, providing the journey is not made within the final six (6) months of the contract.

For the purposes of this subsection the “place of education” is taken to be the recognized home.

Home leave travel

- (b) Expatriate staff are entitled to return economy class airfares between Pohnpei and the recognized home for the staff member and dependents after completing **12** months of service, and at the completion of each **12**-month anniversary, during each year for four (4) year contracts providing no leave travel is undertaken within the final twelve (12) months of the contract. The recognized home of the staff member will be agreed between him/her and the Commission at the time of appointment.
- (c) Support staff who are recruited to work at the commission from Chuuk, Yap or Kosrae, shall be entitled to one (1) return fare to their home island for themselves, spouse and dependent children under the age of 16 years after completing 12 months of service, and at the completion of each 12 month anniversary, provided that they do not already enjoy such an entitlement from another source.
- (d) Subject to the approval of the Executive Director, support staff who travel home from Pohnpei on home leave may, in addition to their leave entitlement, receive up to seven (7) days time off on full pay to compensate for time actually and necessarily spent on such travel.

Repatriation allowance

- (e) Equivalent to two (2) week’s salary, on completion of a contract, providing the contract is not extended or renewed.

Education allowance

- (f) A professional staff member is eligible to receive an education allowance, based on actual receipts, for each dependent child in full-time attendance at school, university or similar higher educational institution in a country outside the staff member's duty station. The education allowance shall not be payable for:
 - (i) correspondence courses, except where, in the opinion of the Executive Director, such courses are the best available substitute for full-time attendance at a school of a type not available in Kolonia;
 - (ii) vocational training or apprenticeships that do not involve full-time schooling.
- (g) Only one education allowance shall be paid for any dependent child. This allowance shall cover costs paid out by the staff member for boarding and tuition fees for the child, as follows.
- (h) The Education Allowance shall be reviewed every three (3) years.
- (i) The education allowance entitlement for professional staff is a total of USD20,500 per annum per dependent child comprising, separately, total tuition fees of USD9,400 and total boarding fees USD11,100.
- (j) Each employee’s entitlement under the education allowance is defined as the sum of the entitlements due to up to three of the employee’s dependent children which the employee nominates, and permitting employees to claim 75% reimbursement of expenses incurred in educating any of his or her dependent children up to the total of his or her entitlement.
- (k) The education allowance shall include costs of tuition fees, boarding fees, compulsory extra- curricula activities organised by school authorities, and any necessary private language tuition.
- (l) The word “boarding” will normally be defined as meaning that the dependent child for whom the education allowance is being paid is boarding at the educational establishment they are attending full time. However, in exceptional circumstances, and with the prior approval of the Executive Director, as to

the items to be covered, education allowance may be paid for dependent children who are boarding in private homes. Documentary evidence of costs shall be submitted.

(m) Professional staff members shall be entitled to an education allowance when it is necessary to send their dependent children to an educational institution in Federated States of Micronesia for which fees are payable.

(n) If the dependent child, for whom an education allowance is payable, attends an approved institution for a period of less than a full scholastic year, the full annual allowance will be accordingly reduced to cover the period of actual attendance.

(o) If both parents are staff members, the child and education allowances shall be paid only once for each of their dependent children. This shall be paid to the staff member who receives the higher salary.

(p) Dependency allowances are not payable:

(i) for children of a staff member who is not the head of the household defined as the individual responsible for the main and continuing financial support of all persons residing within that household; or

(ii) for secondary dependants defined as parents, cousins, brothers or sisters of the staff member or his spouse.

Cost-of-living allowance

(q) COLA to reflect the comparative cost of living difference between Suva and Pohnpei, calculated, reviewed and provided periodically by Employment Conditions Abroad Ltd is payable to professional staff. The index that currently applies is shown in Schedule 1.

Location allowance

(r) Professional staff shall receive a location allowance as follows: 10% of base salary from 01 January 2008; 13% of base salary from 01 January 2009 and 16.5% of base salary from 01 January 2010.

Regulation 24: Executive Director's Entitlements

(a) In addition to any other allowances provided for elsewhere in these Regulations the Executive Director shall be entitled to the following:

(i) rent-free accommodation up to a rental limit specified in Schedule 1;

(ii) utility charges for accommodation (e.g. electricity, water, local phone charges and gas);

(iii) a vehicle;

(iv) 15% top up of per diem; and

(v) a domestic assistance allowance. The allowance is to be adjusted at the same time and in accordance with the same rate of adjustments made to pay in the Federated States of Micronesia Public Service and the rate for the time being is set out in Schedule 1.

PART IX: LEAVE

Regulation 25: Annual Leave

(a) The annual leave entitlement is:

(i) Professional contract staff: 30 working days.

(ii) Support staff : 15 working days

(b) For each staff member the leave year runs from the date of appointment to its anniversary

and thereafter from anniversary to anniversary. Leave accumulates with the passing of the leave year with the full entitlement, minus any leave taken, falling due on the anniversary of appointment.

- (c) If a Federated States of Micronesia public holiday is observed on a normal working day while a staff member is on annual leave or duty travel that day shall be added to his or her entitlement.
- (d) Applications for leave should, where possible, be received by the Executive Director 30 days before the leave applied for begins.
- (e) Annual leave does not carry over from one leave year to the next without written approval from the Executive Director. Subject to this provision, annual leave may be accrued up to fifty (50) working days at each anniversary of appointment. In considering applications to carry over annual leave, the Executive Director will have regard both to the requirements of the Commission and the situation of the staff member.
- (f) The Commission will only pay salary in lieu of unexpended leave at the end of a contract.
- (k) Cases involving dismissal under Regulation 30(b) will not receive salary in lieu of unexpended leave.

Regulation 26: Sick Leave

- (a) Each staff member is entitled to thirty (30) days, paid sick leave per year or 2.5 days per month after one (1) year of service. Sick leave that is not taken will accumulate.
- (b) To qualify for sick leave a staff member is required:
 - (i) to notify his/her immediate supervisor as early as practical on the first day of absence; and
 - (ii) as soon as practicable, apply for sick leave in writing.
- (c) All applications for sick leave shall be supported by a certificate from a qualified medical practitioner justifying the absence on medical grounds unless;
 - (i) the application is for two (2) days or less; and
 - (ii) the applicant has not already taken six days of uncertified sick leave in the last twelve (12) months.
- (d) The Executive Director may at any time withdraw the dispensation from the requirement to furnish a medical certificate, or require a staff member to undergo a medical examination from a designated medical practitioner, when certified sick leave appears to be excessive.
- (e) If a staff member is taken sick or is injured while on annual leave and produces a medical certificate to that effect, the period of sickness shall be recorded as sick, not annual, leave.
- (f) Up to 15 days of sick leave each year may be utilized as appropriate as personal leave, other than those addressed in Staff regulation 27, for funerals and to care for sick children and immediate dependents including but not limited to the attendance at medical appointments.
- (g) The Commission will not make any payment in lieu of unexpended sick leave at the completion of employment.

Regulation 27: Other Leave

Maternity Leave

- (a) A staff member with at least one (1) year's continuous service at the expected date of confinement is entitled to sixty (60) working days' maternity leave on full pay. The period of leave begins on a date decided by the Executive Director in consultation with the staff member but not more than thirty (30) days before the expected confinement. The balance of the leave, but in any case not less than thirty (30) working days, shall be taken immediately after confinement.

Compassionate and Paternity Leave

(b) Applications for paternity and compassionate leave will be considered by the Executive Director on an individual basis, but will not exceed five (5) days per situation or a maximum of six (6) days in any year plus minimal traveling time for all staff members whether they have to travel outside or within Federated States of Micronesia. This leave will normally only apply to a bereavement in respect of immediate family members, such as spouse, children or parents or for the birth of a child of a male staff member. Compassionate leave may not be used by a staff member to meet his/her extended family responsibilities.

Special Leave Without Pay

(c) Requests for special leave without pay shall be submitted in advance. Special leave requires approval in writing from the Executive Director. Special leave may be granted for cases of extended illness or other exceptional or urgent reasons as decided by the Executive Director.

(d) Special leave without pay shall be granted only after accrued annual leave has been expended. No leave accruals or other financial allowances of any kind shall be earned or granted during periods of special leave without pay.

Examination Leave

(e) Where a support staff sits for an examination for an approved course of studies, which is directly relevant to his/her duties in the Commission, and is successful in passing such examination, the Executive Director may grant a leave credit for leave taken by the employee to enable them to attend and sit for that examination.

PART X: HOUSING

Regulation 28: Eligibility

Housing Assistance

(a) Commission houses are allocated by the Executive Director.

(b) Staff members occupying Commission houses are responsible for ensuring that the Commission's furniture, fittings and fixtures are kept in good condition and that defects and damage are reported immediately.

(c) Professional staff occupying houses not rented by the Commission shall receive housing assistance of 75% of the typical rent payable in Federated States of Micronesia for expatriate executive furnished housing. Professional staff members who choose to live in housing not rented by the commission will be responsible for their own furniture, maintenance and security costs. The current rate is set out in Schedule I to these Regulations. This assistance shall be reviewed annually and adjusted on relative movement in the local rental market.

PART XI: EXPENSES

Regulation 29: Duty Travel

(a) The Commission meets the traveling expenses necessarily incurred by staff required to travel away from Pohnpei on official business.

(b) The Executive Director is entitled to travel business class. All other staff will travel economy class except that the Executive Director may authorize business or executive class travel if considered justified.

(c) Staff authorized to travel by a specific class will not receive compensation for the difference between transportation taken by any other mode and the class of fare authorized.

Per Diem

(d) Staff traveling on Commission business and spending the night away from Pohnpei will receive a per diem at current UNDP rates to cover the cost of accommodation, meals and incidentals. Transport (including taxis), telephone and other costs not covered by the per diem that are necessarily incurred for official business reasons, will be reimbursed on actual cost basis and production of receipts where possible.

Actual and Reasonable Expense Reimbursement

(e) The Executive Director may authorize the reimbursement of actual and reasonable expenses incurred if:

- (i) the period of absence does not include a night away from Pohnpei; or
- (ii) the staff member is accommodated privately; or
- (iii) the staff member could not for good and practical reasons have kept within the per diem for the place in question; or
- (iv) the nature or venue of the staff member's business renders the standard per diem for that country inadequate;

Private Transport Expense Reimbursement

(f) The Executive Director or his/her delegate may approve reimbursement at prevailing public transport rates of claims by a staff member who uses his/her personal vehicle with the prior approval of the Executive Director in the following circumstances:

- (i) to travel on official business in and around Pohnpei when the Commission transport is not available; or
- (ii) when working overtime as set out in Regulation (d) and (e).

Official Entertainment

(g) Providing the Executive Director's approval in writing has been obtained prior to the offer of official entertainment, staff may be reimbursed the expenses of entertainment extended on behalf of the Commission. The Executive Director shall not authorize any reimbursement under this provision unless reasonable evidence of the official nature of the entertainment is provided and the claim is supported by receipts. In considering a request from professional staff for the Commission to contribute to representational or entertainment expenses the Executive Director will take into account the availability of funds and the past, current or potential future relationship between the Commission and those benefiting from the Commission's hospitality.

Dependent Infant Accompanying Staff on Duty Travel

(h) The Executive Director may approve the following entitlements for a staff member who is required to travel on official business and where the travel is considered essential and it is necessary for the staff member to be accompanied by a dependent infant under the age of 12 months:

- (i) cost of an economy airfare for a child; and
- (ii) 20% of the applicable UNDP Daily Subsistence Allowance rate to provide for the dependent infant.

The Executive Director may, on a case by case basis, approve the extension of the above entitlements to a dependent infant between 12 and 24 months who is being breastfed by a staff member.

PART XII: DISCIPLINE

Regulation 30: Offences

- (a) An employee commits an offence who:
 - (i) wilfully disobeys a lawful order of the Executive Director or of any other officer to whom the employee is formally responsible or non-compliance with duties owed in the role or with the Commission's policy;
 - (ii) wilfully disregards the Regulations;
 - (iii) is negligent, inefficient or incompetent in the exercise of his or her duties;
 - (iv) commits gross and wilful misconduct, dishonesty or insubordination;
 - (iv) wilfully acts without regard to the Commission's interests;
 - (v) behaves disgracefully or improperly either in an official capacity or otherwise;
 - (vi) is convicted of a criminal offence which affects the staff member's ability to perform the role satisfactorily;
 - (vii) steals or misappropriates the funds or property of the Commission
 - (viii) becomes bankrupt; or
 - (ix) undertakes any activities that bring the Commission into disrepute.

Penalties

- (b) The Executive Director may discipline an employee found guilty of an offence by:
 - (i) an official reprimand;
 - (ii) a fine not exceeding 14 days' salary;
 - (iii) demotion to a lower step in the grade of the offender's position;
 - (iv) dismissal with notice under Regulation 15(a) (iv); or
 - (v) if the offence is theft or misappropriation of the Commission's funds or property, by summary dismissal without notice.

Procedures

- (c) No employee suspected of committing an offence shall be penalized under Regulation 30(b) unless guilt is confirmed by:
 - (i) the employee's own admission; or
 - (ii) the outcome of criminal proceedings; or
 - (iii) the findings of an internal inquiry conducted as soon as practicable by the Executive Director (or in his or her absence by the staff member designated by the Executive Director to serve in this role) and two other staff members, one of whom may be nominated by the suspected employee.

Suspension

- (d) An employee may be suspended without pay if suspected of theft or misappropriation of the Commission's property and on pay in all other cases. If the suspicion cannot be sustained the employee will be fully reinstated with effect from the date of suspension.

PART XIII: STAFF COMMITTEE

Regulation 31: Staff committee

A Staff Committee may be elected annually by staff members to represent their views and may be consulted by the Executive Director on general and specific questions relating to staff issues and welfare.

PART XIV: GENERAL

Regulation 32: Insurance

Personal Accident

- (a) All staff are covered by the Commission's personal accident insurance schemes 24 hours a day.
- (b) A staff member may take out additional personal accident insurance cover at his/her own cost.

Medical Insurance

- (c) All staff and their dependents will have all reasonable medical, dental and optical expenses, at the Executive Director's discretion depending on available schemes and reasonable costs, met by the Commission's medical scheme or, where appropriate, direct by the Commission.
- (d) A staff member may take out additional medical insurance cover for themselves and their dependents at his/her own cost.

Travel Insurance

- (e) All staff are covered by the Commission's travel insurance, under personal accident and life insurance or separate cover, during official travel.
- (f) All staff and their dependents are covered by the Commission's travel insurance during home leave travel and on recruitment and repatriation.
- (g) A staff member may take out additional travel insurance cover for themselves and their dependents at his/her own cost.

Life insurance

- (h) All staff are covered by the Commission's term life insurance policy which provides cover at 2.5 times the base salary on death.
- (i) A staff member may take out additional term life insurance cover at his/her own cost.

Regulation 33: Superannuation

- (a) Local employees will contribute to the Federated States of Micronesia National Provident Fund (NPF).
- (b) For all local employees, the Commission will make a contribution to the NPF equivalent to seven and a half (7.5%) percent of basic salary. Provided that if the minimum legal requirement for contributions payable by Federated States of Micronesian citizens and residents to the NPF is increased to exceed seven and a half (7.5%) percent of basic salary, the Commission will make a contribution to the NPF equal to such minimum legal requirement for contributions.
- (b *bis*) A local employee may contribute a proportion of his or her base salary to a supplemental retirement plan as approved by the Commission in addition to his or her contribution to the NPF. Where a local employee makes a contribution to such a plan, the Commission will make a contribution to the plan to match the contribution by the local employee up to a maximum of seven (7%) percent of the local employee's base salary per annum.
- (c) An expatriate professional staff member will receive a payment of seven and a half (7.5%) percent of basic salary, provided that if the minimum legal requirement for contributions payable by Federated

States of Micronesian citizens and residents to the NPF is increased to exceed seven and a half (7.5) percent of basic salary, the employee will be entitled to i) a payment equal to such minimum legal requirement for contributions to the NPF, or ii) to request the Commission to make deposits to the Federated States of Micronesia National Provident Fund in the name of the professional staff concerned.

Regulation 34: Protective Gear

- (a) On confirmation of appointment, support staff regularly employed on labouring work shall be issued with necessary protective gear.
- (b) Protective gear issued to staff will be replaced on a fair wear and tear basis but not more than once a year.

Regulation 35: Training

- (a) The Executive Director shall, where deemed necessary in the interests of the Commission, provide for the training of staff members in areas directly related to their duties and advancement. Priority shall be given to support staff.

Regulation 36: Documentation

- (a) The Executive Director shall maintain up-to-date documents detailing the establishment, grading system, salary scales and conditions of service of the Commission as approved by the Annual Session.

SCHEDULEs are shown separately on the website www.wcpfc.int Key Documents/Guidelines, Procedures and Regulations/Staff Regulations (year) Schedules

FAC Intersessional Work on Staff Salaries
Initial Non-Paper from FAC Co-Chairs for Discussion
April 11, 2023

1. Options to align staff salary, including the Executive Director, on a single simplified salary scale and/or other improvements related to the salary scale structure;

The tables in the attached Excel spreadsheet were developed to compare the existing salary structure with other options to start discussions:

- Table 1 reflects the existing salary scales in Special Drawing Rights (SDRs) – this is the status quo.
- Table 2 reflects the existing salary scales converted to U.S. Dollars (USD) at a rate of 1.45 to 1 for illustrative purposes. The rate of SDR to USD used for the conversion needs to be decided (more on that below in #5). The excel spreadsheet has a rate that can be changed so different exchange rates can be modeled as needed.
- Table 3 is a conversion from the existing salary scales to potential new scales in USD (assuming support for moving to USD) using 5 grades as discussed at the margins of the annual meeting.
- Table 4 is based on Table 3 but adjusts the existing scales at the lower end of the grade so that the ranges within each grade are the same. The adjustment in the range within the grade was not made to the Executive Directors grade to keep it aligned with the UN salary scale. These changes to the lower end of the grades would not affect any current staff's salary.
- The ED salary range is based on the UN-D1 range. The number of steps have been reduced to 9 to align with range provided in the table for other professional staff. This change does not affect the Executive Directors salary.
- All staff would remain in the same bands/grades.
- The band for the Deputy Director has been eliminated in Tables 3 and 4.

Questions for consideration: Do members support the changes to Tables 3 or 4? Is there information from the triannual salary review or relevant publicly available information related to salaries in other secretariats and comparable markets that you would like to guide any broader potential changes to salary structure?

2. The advantages and disadvantages of changing the denomination of professional staff salaries from IMF Special Drawing Rights (SDR) to U.S. Dollars for greater clarity and to align with the currency of the Commission's budget and financial accounts;

As the Secretariat's staff are paid in USD and the main component of the SDR is USD, discussions on the margins of WCPFC19 suggested many participants believe it would make sense to move away from the SDR. This would give some certainty to staff on their actual salary as it is currently adjusted every six months per the staff regulations. In the last 18 months, there has been an 8% effective decrease in salaries due to currency fluctuations. WCPFC19 agreed to increase professional staff salaries by 5%, but that was effectively erased with the change in exchange rates. While the Staff Regulation 19 (c) provides for a stabilization mechanism for

drastic changes in the exchange rates (up to 5% change in rates every six months), it does not account for a slow change in the SDR to USD.

Paying in USD will allow for more precise and stable budgeting as exchange rates would not need to be used in the budgeting process.

The downside to moving away from the SDR is that it further distances the Secretariat's professional staff from the CROP agencies and being able to compare the rates paid by CROP and WCPFC. Currently the Secretariat uses Cullen Egan Dell (CED) Grades I-M system salary structure while the CROP agencies have moved to the StrategicPay SP10 system. If changes away from SDR are accepted, and a new salary scale is created, comparing WCPFC's Secretariat to other CROP agencies would be more difficult.

Questions for consideration: Recognizing we are not making any final decisions, do any members oppose in principle shifting the salary scales from SDR to USD and reflecting that in potential recommendations to WCPFC20?

3. Options to establish automatic cost-of-living increases for staff salaries which could minimize the need for future salary reviews;

The commission recognizes, through its budgeting process, cost-of-living increases for the following:

- Executive Director through annual adjustments to their salaries to the annual UN D1 salary scale
- SPC scientific services are increased annually by 1% to 2% per year for inflation
- Local staff's salaries are adjusted per Staff Regulation 19 (f) using the local inflation rate in Pohnpei.

The only staff not provided relatively automatic cost-of-living increases are the professional staff. One approach would be to peg the professional staff to the increases provided to the ED. There are annual adjustments in the UN-D1 salary scale averaging around 1.7% a year. Pegging the professional staff to the increases in the UN-D1 salary scale would keep the proposed salary scales in alignment with the EDs salary, adjust for inflation, and avoid larger increases that put pressure on the budget once every three years.

Questions for consideration: Does anyone oppose automatic cost-of-living increases for professional staff? Does anyone have another suggestion for managing those automatic cost-of-living increases beyond tying them to the changes in the UN-D1 salaries that currently apply to the ED?

4. Changes to the content and frequency of salary market reviews including ensuring clearer comparison to the actual salary ranges comparable position in CROP agencies as well as remuneration of other relevant RFMO secretariats;

Currently, a salary market review is conducted every 3 years. If we were to establish a cost-of-living increase mechanism, it could be conducted every 8 years or possibly if requested by the

Secretariat due to recruitment and retention issues. This exercise, while less frequent, may provide an opportunity to also conduct a job sizing component to ensure that the existing jobs are in the correct grades. Having it conducted less frequently may also allow for a more detailed discussion to take place on what salary markets the Commission would like to use for the comparison.

***Questions for consideration:** Assuming outcomes can be agreed that provide more stability in staff salaries, do members support reducing the frequency of regular salary reviews (and how frequent)? In what ways do the salary reviews as delivered by consultants need to change (in terms of focus or the analyzed reference salaries) to be more meaningful and provide the requisite information to members?*

5. Methods to ensure any changes to staff salaries do not result in lower remuneration for existing professional staff;

Since we are not engaged in a job sizing exercise, or adjusting benefits, a key issue to consider when ensuring changes to staff salaries do not result in lower pay is the exchange rate to use when converting the salaries from SDR to USD. The current exchange rates are at almost historic lows and staff would be concerned about the fairness of using the current exchange rates to convert salary scales from SDR into USD. Some benchmark options for the range of exchange rates are:

- Current exchange rate is roughly 1 SDR = 1.35 USD
- Historic average is roughly 1 SDR = 1.4 USD
- Historic high is roughly 1 SDR = 1.5 USD

The historic average around 1.4 would be a good place to start. An argument could be made by the 1.45 might be a fairer option as it would recognize that staff have had an effective pay cut in recent years, and the Commission provided a pay increase that was erased due to the SDR to USD rates used per our regulations.

***Questions for consideration:** What is the most appropriate exchange rate to use when initially converting salary scales to USD?*

6. Any necessary changes to the Commission's Staff Regulations or Financial Regulations to accomplish any resulting recommendations.

Depending on the outcome of discussions on any of the above issues, we would develop recommendations to report back to FAC17.

Preliminary recommendations:

1. Place all professional staff on one simplified salary scale that is based on USD (exchange rate to be decided).
2. Conduct the regular salary review every 8 years or as needed/requested by the Secretariat.

3. Use the annual changes provided in the UN D1 salary scale to automatically include equivalent percentage increases for all professional staff salaries in the budget (subject to future FAC recommendations and WCPFC decisions).

Once there is general support for these or other recommendations, we would look at the Financial and Staff Regulations to consider in greater detail any changes to the text of the regulations that would be required.

***Questions for consideration:** Any initial views on these general recommendations? Are there other issues members would like to address in the recommendations to be sent to FAC17?*