

**CERN**

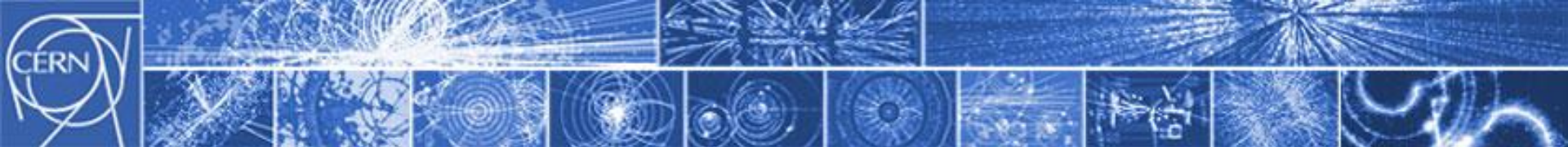
European Organization for Nuclear Research

Organisation Européenne pour la Recherche Nucléaire

# **FIVE-YEARLY REVIEW 2010**

## **ANNEX A1 of the CERN Staff Rules**

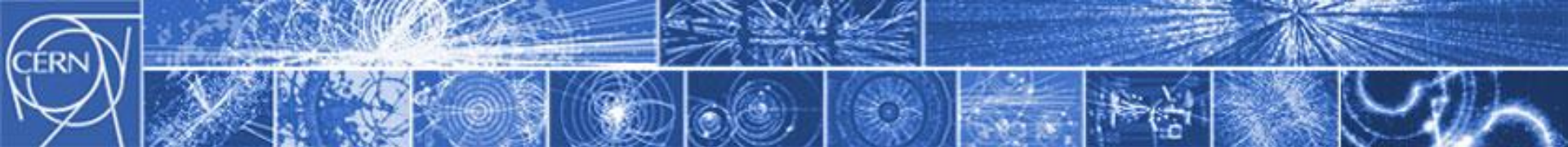
Finance Committee and Council – 22 & 24  
June 2011



## What is Annex A1?

**Annex A1** of the CERN Staff Rules and Regulations sets forth the principles and procedures applicable to the periodic reviews of the financial conditions of CERN members of the personnel, i.e.:

- **The Five-Yearly review**; and
- **The Annual Review of basic salaries, stipends, subsistence allowances and family benefits.**



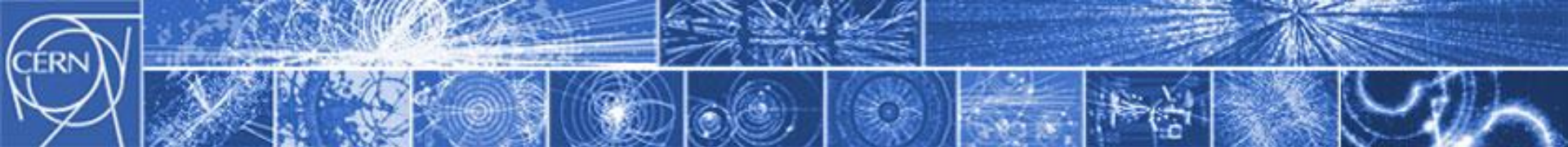
# Background (1)

- ✓ **Council December 2007:**

Approval of a new methodology to simplify the processes, rationalize internal resources, and ensure compliance with the ILOAT jurisprudence requirements.

- ✓ **TREF May 2009:**

At the request of the Member State Delegations, it was agreed that the contents of Annex A1 would be revisited towards the end of the 2010 5YR if necessary, based on experience gained during the review.



## Background (2)

### ✓ TREF 25 November 2010:

« ...Member State delegations desiring a review of Annex A1 [were invited] to submit their specific suggestions to the Management [...] to allow it time to prepare for a discussion at TREF's first meeting in 2011.»

### ✓ TREF March 2011:

- Suggestions were submitted by the Dutch, British and Italian Delegations, which were compiled by the Management in a working document.
- The Management also submitted an explanatory note on the « *Establishment and revision of employment conditions: General framework and its application to CERN*» (CERN/TREF/370)

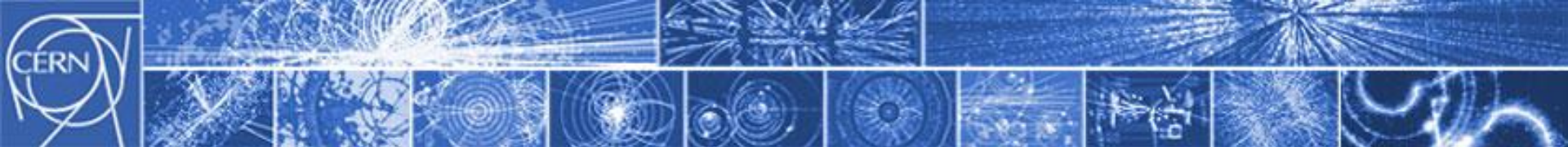




## Background (3)

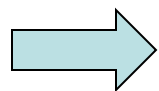
### ✓ TREF March 2011:

- During the meeting, the Management stated that, “*deeming the new methodology in force since 1 January 2008 to be legally sound and much easier to interpret than the previous version, it was not a proponent of further changes. Nevertheless, (...) it was fully prepared (...) to offer its collaboration in examining the scope for further fine-tuning of the provisions.*”
- The Staff Association presented an oral report « *Annex A1: Staff Association position* » and was invited to submit its position in writing for the May meeting.
- Discussions focussed on the 5YR process.

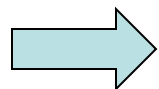


# Management's Proposals (1)

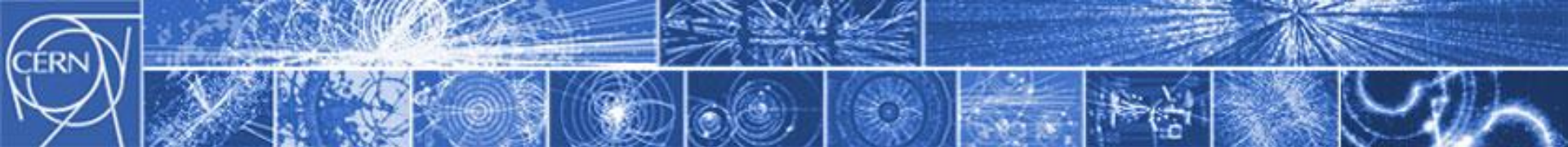
After careful examination of the Delegations' suggestions, the Management considers that:



two sets of modifications could be introduced to the text of Annex A1; and



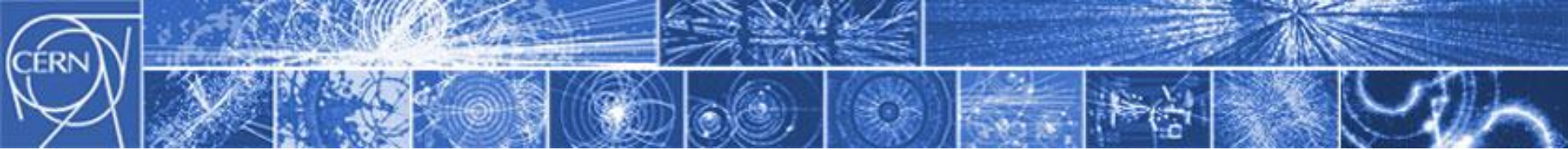
one to its application.



## Management's Proposals (2)

### *Modifications to the text of Annex A1:*

- 1) Refer to the concept of affordability, by which Council, when making its decision on financial and employment conditions, may take due account of the Organization's budgetary situation.



## Management's Proposals (3)

### *Modifications to the text of Annex A1:*

- 2) Introduce the « Recruitment & Retention Report » as a formal element of the 5YR procedure.

The Management considers that it would provide valuable indications with regard to the purpose of the 5YR, i.e.

*“ ...to ensure that the financial and social conditions offered by the Organization allow it to recruit and retain the staff members required for the execution of its mission from all its Member States. (...)These staff members must be of the highest competence and integrity.”*



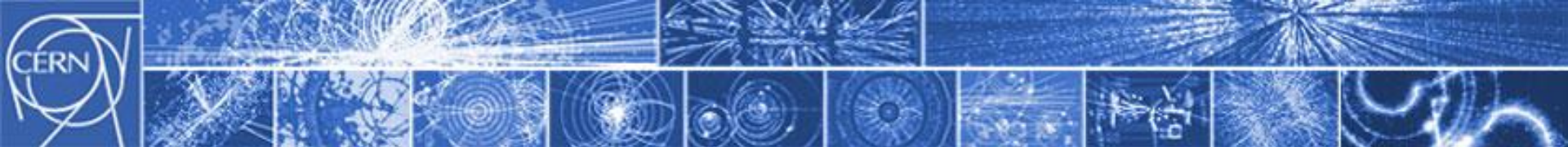


## Management's Proposals (4)

### *Modification to the application of Annex A1:*

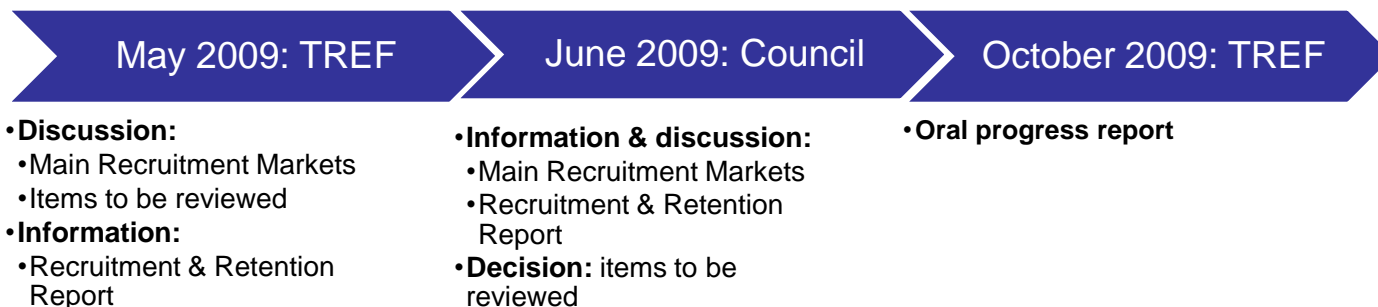
1) Modify TREF's work programme to allow more time for discussion.

The Management considers that the 5YR process would be improved by giving increased opportunity to Member State Delegations to discuss, comment and express their views.



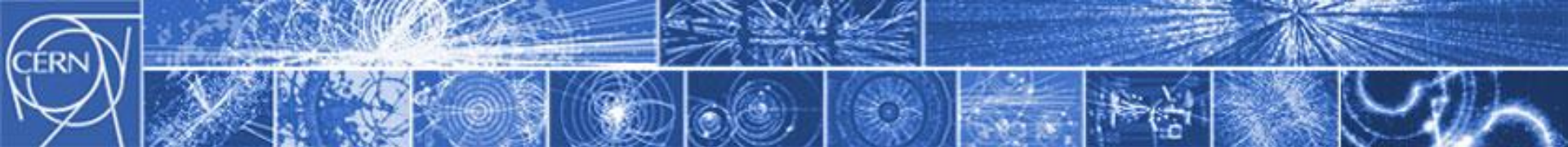
# TREF Work Flow: year N-1

2010 5YR:



## Proposed modifications:



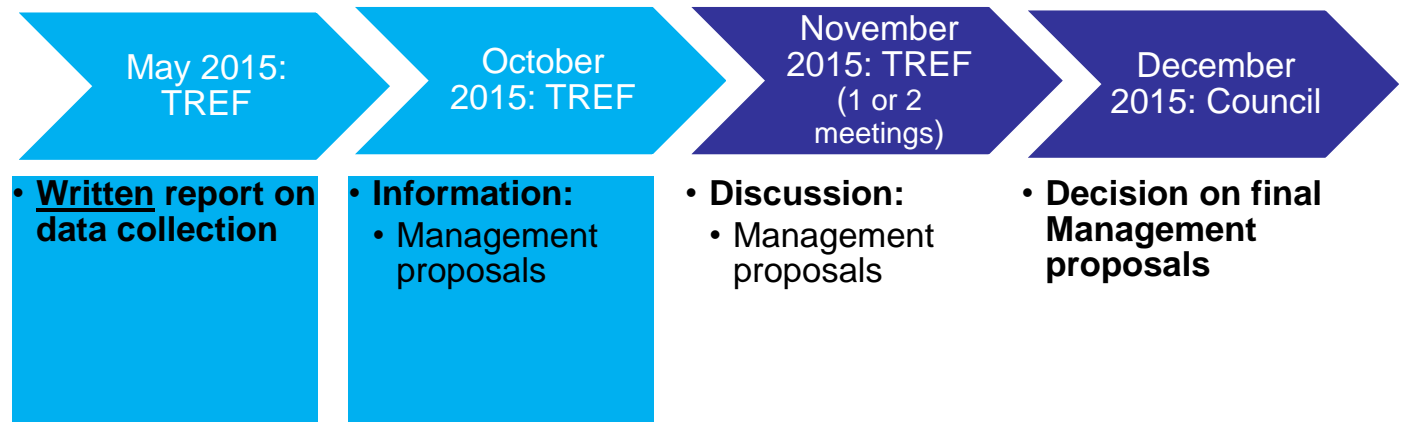


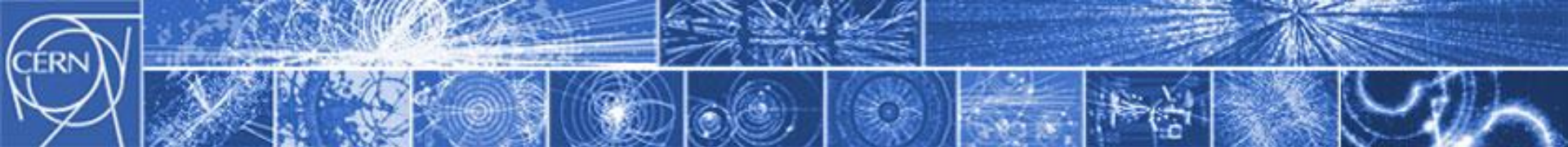
# TREF Work Flow: year N

2010 5YR:



## Proposed modifications:





# Conclusion

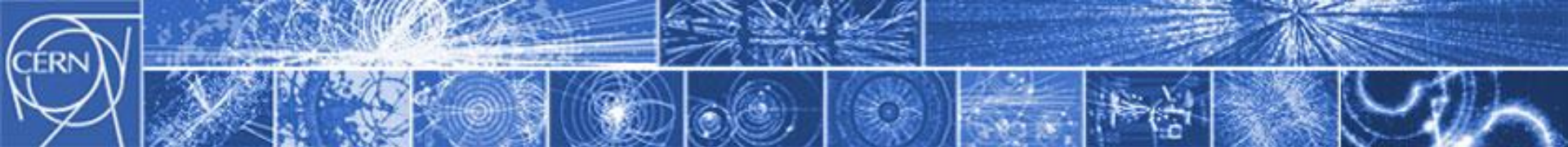
**These proposals aims at:**

Pay appropriate attention to the budgetary situation of the Organization by a reference the concept of affordability

Take due account of the Organization's ability to recruit and retain staff of the highest competence

Enhance transparency and dialogue

**while abiding by the general principles of international law**







## Use of different labour markets for comparison purposes

### – Advantage(s):

- Taking into account that the main recruitment pools may vary from one job category to another and that it may be easier to fill certain positions, it could more accurately reflect differences in market demand.

### – Disadvantage(s):

- Distinguishing between professional categories within the same career path would imply the use of multiple salary scales (according to job cat.) which:
  - would run counter to a basic principle of public service, i.e., salary scale uniformity
  - would be much more complicated to manage
  - would lead to core functions (e.g., physicists) being paid less than some support functions