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**Global Green Growth Institute**

The Council  
Written Procedure  
December 22, 2017

**Decision on Revised Salary Scales for International Positions and Executives**

The Council,

*Recalling* Article 10.7 of the Agreement on the Establishment of the Global Green Growth Institute, providing that the Director-General shall appoint the staff of the Secretariat in accordance with Staff Regulations approved by the Council;

*Recalling* the Council's approval on November 17, 2016 of the unified grading structure for all staff, other than staff in the Executive category, and the elimination of the distinction between Professional and General Service categories;

*Taking Note* of Annex 1 of the Staff Regulations and Rules providing the list of grade and salary scales for international positions and national positions locally applicable in twenty-six countries, effective on January 1, 2017;

*Taking in account* that a benchmarking exercise has recently been completed with the support of an external consultant and approval from the Director-General, which recommends changes to the GGGI salary scales for staff on international positions and in the Executive category as provided in the Explanatory Note;

The Council:

*Approves* the proposed changes to Annex 1 of the Staff Regulations, concerning the salary scales for GGGI staff on international positions and in the Executive category (Deputy Director-General and Assistant Director-General) as provided in the Explanatory Note.

**EXPLANATORY NOTE**

**Background**

1. With the support of the Birches Group, a review of GGGI compensation policy for both locally and internationally recruited staff was conducted by a lead consultant this year. The review resulted in recommendations for possible changes in the current salary scales for staff on international positions and introduction of salary scales for staff in the Executive category at the Deputy Director-General and Assistant Director-General levels.


**Revised Salary Scale for Executive Staff**

2. In the present Staff Regulations effective 1 January 2017, GGGI annual base salary scale for staff in the Executive category does not set a minimum:

**Current annual base salary for Executives effective 1 January 2017**

GGGI ANNUAL BASE SALARY SCALE FOR EXECUTIVES	
CURRENCY	USD
GGGI GRADE	Annual Base Salary and Bonus
Director-General	Up to 286,110 and up to 10% bonus
Deputy Director-General	Up to 220,560 and up to 10% bonus
Assistant Director-General	Up to 210,160 and up to 10% bonus

3. The benchmarking exercise recommended to establish a range for levels ADG and DDG. To support external comparison, ranges have been constructed using the set maxima and establishing range minima which extended down to the midpoint of the previous grade level and thus cannot be construed as a salary increase. On this basis, **the introduction of an established range for levels ADG and Deputy Director-General effective 1 January 2018** is proposed as follows:



**GGGI ANNUAL SALARY SCALE for International positions**

	Entry	Mid	Maximum
DG			
DDG	187,008	219,744	252,480
ADG	178,080	209,280	240,480

**Revised Salary Scale for International Positions**


4. Based on the Birches Group review, comparison of current total net remuneration structures of GGGI to the average structures of the five comparator employers yielded a finding that GGGI compensation lags this group on average of 3.4%, ranging from 14.1% (X12 max) to 10.2% (X11 min). The more significant points where compensation lags are at the grade minima for levels X8 to X10 and grade maxima for levels X12 and X13.
5. The structural comparison of GGGI compensation to the comparators also revealed that the position of the organization relative to the market is in part aggravated by the flat rate structure of the present housing allowance. The structure of the present allowance both compresses pay distinctions internally within and across grade levels. Further, the flat rates create somewhat of a misalignment between the progression of GGGI compensation with the comparators where a similar approach is not found.

**Current annual salary scale for staff on international positions effective 1 January 2017**

<b>GGGI ANNUAL BASE SALARY SCALE FOR INTERNATIONAL POSITIONS</b>			
<b>CURRENCY</b>		<b>USD</b>	
<b>GGGI GRADE</b>	<b>Entry</b>	<b>Mid</b>	<b>Maximum</b>
<b>X13</b>	150000	171550	193100
<b>X12</b>	121000	143000	165000
<b>X11</b>	100000	122500	145000
<b>X10</b>	81000	103000	125000
<b>X9</b>	64000	82000	100000
<b>X8</b>	52000	66500	81000

6. Based on the above, the Birches Group recommended GGGI to consider refining its total net remuneration to improve its competitive position and the utility of the salary scale to support performance recognition. In line with this recommendation, a revised total net remuneration structure has been constructed addressing the 3.4% gap with targeted adjustments at specific points in the scale (i.e. not a salary increase for staff members):

**Proposed revised salary scale for international positions effective 1 January 2018**



**GGGI ANNUAL SALARY SCALE  
for International positions**

	Entry	Mid	Maximum
<b>X13</b>	161,952	190,272	218,592
<b>X12</b>	129,504	158,640	187,776
<b>X11</b>	106,176	130,080	153,984
<b>X10</b>	87,072	106,608	126,144
<b>X9</b>	71,904	88,080	104,256
<b>X8</b>	59,424	72,816	86,208

**Housing Allowance**

7. With respect to the treatment of the housing allowance, the Birches group recommended to either integrate its current housing allowance into its base salary structure or to establish a revised housing allowance as a percentage of base salary rather than a flat amount.
8. Analysis of both the value of the current GGGI allowance as a percentage of total net remuneration (22.8%) and the value of housing in South Korea in United Nations total net remuneration (24.6%), has led to a recommendation to convert the present housing allowance from flat rates to a fixed percentage of 20% (and incorporate the balance of the housing allowance into salary for current staff members).

**Financial Analysis**

9. GGGI analysed the overall financial consequences of all proposed changes and found that the result is that these are budget neutral.
10. The objective of the financial analysis was to: 1) address the weighted average gap in compensation of 3.4% mentioned in Birches report 2) measure the incremental costs against incremental savings to ensure the overall proposal is cost neutral over two biennium. Large part of the exercise which is to restructure the current GGGI policy from a flat rate structure to a percentage pay is done in a cost neutral manner (as mentioned above, in Principle 1). The analysis of all proposed changes shows a net impact of USD 177K over two biennium (2017/18 & 2019/20), which is 0.01% of GGGI’s average annual compensation costs (USD 33M). The net impact is a result of incremental realization of tax savings from the cessation of tax reimbursement policy. GGGI will fully recover the USD 177K effective 2021/2022 when the average annual tax savings of USD 600K is fully realized. Attached is a summary of financial impact – benchmarking analysis (Annex 1).

**Effective Date**

11. Subject to the Council's approval, the new salary scales for staff on international positions and staff at the DDG and ADG levels will be effective as of January 1, 2018; and the re-balancing of salaries and housing allowance will become effective for current staff upon contract renewal.

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