



JOINT OSP AMENDMENT PROPOSAL

Salary Review Methodology – EEAS DEC(2014) 004 and related instruments

Position paper for social dialogue with EEAS RM.BHR.5

September 2026

Note: This document incorporates the outcomes of the Joint Staff Committees and BHR.5 meeting of 18 March 2026, BHR.5's own 2025 Report to the Technical Group on Remuneration (Ref. Ares(2026)2826985, 16 March 2026), the salary reviews dashboard as of March 2026, and field-level evidence from Delegations. All proposed amendments are offered as a working basis for negotiation, not final positions.

1. Background and legal context

The salary adjustment methodology for Local Agents (LAs) in EU Delegations rests on three inter-related instruments:

- **EEAS DEC(2014) 004** – the 2014 Salary Method itself, setting out the calculation methodology, reference employer framework, and review procedures. The method was originally valid until 30 June 2019. The principles established that the Framework Rules require adjusting basic salaries and allowances: 1) in line with changes in salaries in international bodies, embassies, and public entities or private firms at the place used as a reference by the Authority Empowered to Conclude Contracts of Employment (hereinafter: AECC); or 2) if required by local legislation; or 3) in line with any other factors regarded as relevant by the AECC. These adjustments shall be incorporated into the table of basic salaries at least once a year.
- **ADMIN(2020) 21** – Decision on Remuneration for Local Staff, which extended the 2014 Method indefinitely from 1 June 2020 and mandated that a review process commence no later than 31 May 2021 (Article 2). The legal basis is Article 17(2) of Joint Decision C(2019) 5686 (Conditions of Employment).
- **ADMIN(2021) 21** – Decision on the list of reference employers, establishing nine standard comparators and the grade equivalence table used worldwide.

The review mandated by ADMIN(2020) 21 Article 2 has not produced a revised method. At the joint meeting with BHR.5 on 18 March 2026, the administration confirmed that social dialogue will commence no later than Q1 2027, as part of a single comprehensive package covering all four LA instruments (the Conditions of Employment, LAPF, LA Medical, and the salary methodology). The salary methodology was identified by Staff Committees as the most pressing file: nearly seven years without revision constitutes a concrete legal accountability gap. USHU does not agree to the Q1 2027

start date and is of the opinion that, since this comprehensive document is now available to the Administration, the social dialogue must start in September 2026 at the latest. Due to global economic instability, there should be no further slippage, and the social dialogue must address substance, not just process.

This document is submitted in advance of that dialogue to allow BHR.5 to begin internal arbitration with full knowledge of staff representatives' positions.

2. Evidence base

2.1 BHR.5's own data: the 2025 TGR report

The 2025 Report to the Technical Group on Remuneration (Ref. Ares(2026)2826985, signed 16 March 2026) provides BHR.5's own assessment. Its headline claim is that salary adjustments have kept pace with inflation over three years (compounded inflation of 17.63% against salary adjustments of 22.12%). However, this aggregate figure conceals critical structural problems:

- **Dispersion:** The weighted average is dominated by a small number of high-adjustment Delegations (Burundi +45.2%, Gambia +42.5%, Nigeria +43.4%, São Tomé +46.1%). These outliers mask the reality of Delegations receiving 0–2% increases.
- **Time lag:** BHR.5 reports an average lag of 16 months between date of effect and date of adoption. Staff bear the full real cost of this delay with no interest or compensation.
- **Zero-increase Delegations:** As at March 2026, multiple Delegations received 0% increases in their most recent review, including Afghanistan (grid from 2021), Belarus (0%, 13.4% below markers), El Salvador (0%, 5.5% below), Haiti (extraordinary review but grid from 2022), Libya (0%, 1.3% below), Madagascar (0%, 19.3% below markers), Peru (0%, 7.2% below), South Sudan (0%, 5.7% below), Thailand (0%, 16.9% below), and Venezuela (grid from 2019, 42.2% above markers but 0% for seven years).
- **Stale grids:** Five Delegations still operate with grids with date of effect in 2021 or earlier (Afghanistan, Congo-Brazzaville, Liberia, Sudan, Venezuela). A further 27 Delegations have grids with date of effect in 2023 – now nearly three years old.
- **The Del/Markers gap:** For grids adopted in 2025, EU Delegation salaries were on average only 1.7% above markers – a razor-thin margin.
- **Dual salary grids within a single country: in some duty stations the administration operates two separate salary grids for the same country — for example the United States, with distinct grids for Washington and San Francisco, justified on cost-of-living differences. This has been a persistent source of discontent among Local Agents and should be addressed within the methodology.**

2.2 The salary review backlog

BHR.5's dashboard (printed 13 March 2026) shows that 75% of Delegations have a grid with date of effect in 2024–2026. This means 25% – roughly 36 Delegations – are operating with a grid whose date of effect predates 2024. Several have multiple pending reviews: Israel (6 revisions), Colombia (4), Indonesia (4), Nicaragua (4), Somalia (4), Azerbaijan (3), Cambodia (3), Djibouti (3), Senegal (3), United Arab Emirates (3). SUMA/HR Hub reconciliation issues are further delaying the disbursement of already-approved arrears.

2.3 The benchmarking paradox: averages conceal disparity

BHR.5's TGR report presents the method as functioning well on the basis of aggregate averages. Yet the same data reveals a system in which a minority of Delegations receive large inflation-driven adjustments while the majority receive modest increases and a significant tail receives zero. This is the benchmarking paradox: a methodology that is structurally correct in aggregate but systematically fails a substantial proportion of its population.

2.4 Field-level evidence: the GIZ and job-matching problems

Contributions from Delegation staff across multiple regions have documented the following structural limitations of the current benchmarking framework:

- **Restricted employer pool:** The nine-employer list established by ADMIN(2021) 21 disadvantages smaller missions and those in less diversified labour markets. In many duty stations, only two or three organisations from the list are present locally, resulting in a narrow and less representative comparison base.
- **GIZ per diem distortion:** GIZ staff receive significant field mission per diems (70–80% of working time in some contexts) not reflected in the base salary used for comparison. This systematically understates GIZ remuneration and suppresses the EU grid for up to five years.
- **Incomplete GIZ band coverage:** GIZ employs six salary bands (1–6), yet ADMIN(2021) 21 includes only bands 1–4 in the equivalence table, excluding the upper levels. The current mapping assigns EU grades II and III to a single GIZ band 3, failing to differentiate between Administrative/Finance Assistants and Secretaries.
- **Group I undervaluation:** LA Group I staff are matched to UNDP NOA/NOB or World Bank GF 20–22, understating their classification relative to their actual responsibilities (operational and financial management equivalent to EC Contract Agents grade III–IV). BHR.5 confirmed at the 18 March meeting that the current job-matching ceiling excludes posts with supervisory and management responsibilities, even though project managers (LA GR 1) are performing the same tasks as their Contract Agent colleagues in most delegations and deliver of policy inputs as well as sometimes multimillion project management with numerous project staff to oversee.

2.5 The 18 March 2026 meeting: confirmed reform elements

The joint meeting with BHR.5 produced the following action points directly relevant to this proposal:

- Salary methodology reform to include: (a) inflation-response mechanism; (b) revised and expanded comparator pool; (c) interest/compensation mechanism for delays beyond one year; (d) reinstated DSR co-ownership role; (e) regular, predictable review cycle.
- BHR.5/IT division to urgently resolve SUMA/HR Hub reconciliation issues and report progress within 30 days.
- BHR.5 to provide TGR with global data on Delegations with three or more pending salary reviews.
- BHR.5 to consider interim ad hoc payment instructions for Delegations where arrears predate 2024.

3. Amendment proposals

The amendments below are grouped by legal instrument and cross-referenced to the BHR.5-confirmed reform elements from 18 March 2026. Each amendment includes the current provision, the proposed change, and the rationale.

Amendment A1: Inflation-response mechanism (DEC(2014) 004 – new article)

Legal reference	Current provision	Proposed change	Rationale
DEC(2014) 004 New article (after current salary calculation provisions)	The method is purely benchmarking-based: salary grids are aligned to the average of marker salaries, adjusted for working conditions and benefits. No provision exists for inflation indexation. BHR.5's TGR report notes that the method 'seeks to ensure the EU's competitive position' and 'gradually align local agents' salaries with benchmarked markers'. There is no automatic mechanism to protect purchasing power when inflation outpaces marker salary growth.	<i>Add new article: 'The annual salary adjustment shall incorporate an inflation-response component. Where the benchmarking outcome for a Delegation falls below the official national consumer price inflation rate for the preceding 12-month period, the adjustment shall be no less than 50% of the difference between the benchmarking outcome and the inflation rate.'</i> <i>Add:</i> <i>'Where official national inflation exceeds 10% annually, the Head of Delegation may request an intermediate salary review with expedited processing. Such requests shall be determined within 60 days.'</i>	Contract Agents benefit from a hybrid approach combining benchmarking with inflation protection. Local Agents deserve equal treatment. The 2% annual budget envelope constrains the system's ability to respond to real market conditions. An inflation floor prevents the most extreme cases of purchasing power erosion. BHR.5 confirmed at the 18 March meeting that an inflation-response mechanism is a central element of the reform (action point (a)). The TGR report's own data shows emerging market inflation at 5.3% in 2025, projected at 4.7% in 2026 – consistently above the modest adjustments received by many Delegations.

Amendment A2: Reference employer pool expansion (DEC(2014) 004, Articles 4.1 and 6 + ADMIN(2021) 21)

Legal reference	Current provision	Proposed change	Rationale
DEC(2014) 004 Art. 4.1, 6 ADMIN(2021) 21 Sole Article + Annex	Article 4.1 provides that the AACC shall establish a single list of reference employers. Article 6 allows the AACC to revise the list and equivalences. ADMIN(2021) 21 establishes a list of nine standard reference employers: UNDP, World Bank, BID/IADB, Netherlands Embassy, GIZ, British Embassy, UK	<i>Amend Art. 4.1:</i> <i>'The AACC shall maintain and regularly review a list of standard reference employers. The list shall include a sufficient range of international organisations, Member State representations, and other relevant entities to ensure representative</i>	BHR.5 confirmed at the 18 March meeting that expanding and revising the comparator pool is a central element of the reform (action point (b)). Any new reference employer must have a sufficiently standardised and globally comparable pay structure. Field evidence shows that the restricted nine-employer

	DFID, US Embassy, and Canadian Embassy. In many duty stations, only two or three of these nine organisations operate locally, resulting in a narrow comparison base. Smaller Delegations are systematically disadvantaged.	<i>benchmarking across all duty stations.'</i> <i>Amend Art. 6:</i> <i>'The AACC shall review the list of reference employers and their equivalences at least every five years. Where fewer than three reference employers from the standard list are present in a duty station, the AACC shall accept comparable local or regional employers proposed by the Head of Delegation.'</i> Revise ADMIN(2021) 21: <i>expand the standard list to include additional international organisations with globally comparable pay structures, such as the OSCE, regional development banks, and selected Member State development agencies beyond GIZ.</i>	list places LAs in smaller Delegations in a less advantageous position compared to colleagues in larger duty stations. UK DFID merged with the FCO in September 2020 to become the FCDO – the list has not been formally updated to reflect this.
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Amendment A3: GIZ comparator correction (ADMIN(2021) 21 Annex – equivalence table)

Legal reference	Current provision	Proposed change	Rationale
ADMIN(2021) 21 Annex: Equivalence table GIZ rows	The equivalence table maps EU grades to GIZ bands as follows: Grade I = band 4; Grade II = band 3; Grade III = band 3; Grade IV = band 2; Grade V = band 1. Bands 5 and 6 are excluded entirely. Grades II and III are both mapped to a single undifferentiated GIZ band 3. GIZ field mission per diems (representing 70–80% of working time in some duty stations) are not reflected in the base salary used for comparison.	<i>Revise the GIZ equivalence rows to include all six GIZ bands: Grade I = bands 5–6; Grade II = band 4; Grade III = band 3; Grade IV = band 2; Grade V = band 1. Add provision: 'Where a reference employer's remuneration includes regular field mission allowances or per diems representing more than 25% of total compensation, these shall be included in the adjusted salary calculation under the method's existing provision for 'general allowances' (salary calculation step iii(f)).'</i>	The exclusion of GIZ bands 5–6 systematically lowers the benchmark for EU grades I and II. GIZ band 5–6 positions carry responsibilities comparable to EU Group I LAs. The per diem distortion suppresses the EU grid for up to five years following each review. BHR.5 acknowledged this issue at the 18 March meeting. The current crude mapping of two distinct EU grades to a single GIZ band risks undervaluing the complexity and autonomy of EU

		<i>Differentiate grades II and III in the GIZ mapping to reflect the distinct responsibilities of Administrative/Finance Assistants versus Secretaries.</i>	administrative and financial roles.
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Amendment A4: Job-matching and grade equivalence reform (ADMIN(2021) 21 Annex – equivalence table)

Legal reference	Current provision	Proposed change	Rationale
ADMIN(2021) 21 Annex: All reference employer rows for Grade I	Grade I LAs are matched to: UNDP NOA (or G-8) to NO-B; World Bank 20/GF to 22/GF; BID/IADB 6 to 5. These are administrative/national officer categories. LA Group I positions routinely include programme and project management, financial oversight and contract management, technical and advisory functions, and the supervision of staff — duties performed under the supervision of a Union official and without representing the Union externally. BHR.5 confirmed at the 18 March meeting that the current job-matching ceiling excludes posts with supervisory/management responsibilities.	<i>Upgrade Grade I matching: UNDP to NPO (National Programme/Project Officer) equivalents or NO-C/NO-D where job descriptions evidence managerial, financial and technical responsibilities; World Bank to GF 22–24. Add provision: “The grade equivalence table shall be reviewed whenever standardised job descriptions are updated under ADMIN(2020)21/23, to ensure that functional levels are accurately reflected in the benchmarking.” Add: “Where a Delegation’s LA Group I positions carry operational, financial management, or advisory responsibilities equivalent to EC Contract Agents FG III–IV, this shall be reflected in the job-matching methodology.”</i>	Many LA Group I and II colleagues possess solid professional expertise and long-standing experience. They frequently perform functions that in UNDP or GIZ would correspond to higher levels. The approach places heavier weight on cost containment than on accurately valuing the complexity, autonomy, and professional maturity of Local Agents. Standardised job descriptions (ADMIN(2020)21/23) are approximately 95% complete. Once adopted, they provide the factual basis for correcting the equivalence table.

Amendment A5: Interest/compensation for delayed salary reviews (DEC(2014) 004 – new article)

Legal reference	Current provision	Proposed change	Rationale
DEC(2014) 004 New article	The method assures retroactivity but provides no interest or compensation for the passage of time. BHR.5	<i>Add new article: “Where a salary review is not adopted within 12 months of the proposed date of effect, the AACC</i>	Staff bear the full real cost of delayed payment. In high-inflation environments, a two-year delay can represent 15–

	confirmed this at the 18 March meeting. The average time lag between date of effect and adoption is 16 months (TGR report). Some Delegations have three or more pending reviews, meaning staff wait years for approved adjustments. SUMA/HR Hub reconciliation issues are further delaying disbursement of already-approved arrears.	<i>shall apply interest at the European Central Bank main refinancing rate plus 2 percentage points on the retroactive amounts, calculated from the 13th month until the date of payment.'</i> <i>Add:</i> <i>'The AACC shall publish quarterly statistics on the number of Delegations with pending salary reviews exceeding 12 months, including the aggregate value of unpaid arrears.'</i>	20% erosion of the nominal adjustment's purchasing power. The interest rate (ECB +2pp) achieves deterrence without risking challenge on proportionality grounds. BHR.5 confirmed this as a potential reform element at the 18 March meeting (action point (c)), subject to budget neutrality. Transparency on the backlog is itself a reform commitment: BHR.5 was asked to provide TGR with global data on Delegations with three or more pending reviews.
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Amendment A6: Delegation Staff Representative co-ownership (DEC(2014) 004 – staff consultation provisions)

Legal reference	Current provision	Proposed change	Rationale
DEC(2014) 004 Staff consultation provisions EU Delegations' Guide, section 3.1	Under the current methodology, DSRs have been reduced to observers. They receive the proposed grid for a brief consultation period with no co-ownership of the analytical process. The EU Delegations' Guide stipulates that staff representatives 'may only consult the AACC proposal' without marker names, in the presence of the Head of Administration, with no recording or copies permitted. Previously, DSRs actively participated in populating comparison tables and reviewing competitor data.	<i>Amend staff consultation provisions:</i> <i>'Delegation Staff Representatives shall participate in the salary review analytical process, including the verification of marker data, the review of the comparison table, and the assessment of the proposed grid, prior to submission to the AACC.'</i> <i>Add:</i> <i>'Staff Representatives shall receive the complete salary review proposal, including marker identification and supporting data, under an obligation of confidentiality. The restriction on copies, recording, and information sharing shall be maintained.'</i> <i>The Delegation Staff Representatives shall also be involved in any</i>	Co-ownership improves data quality: DSRs have local knowledge that can identify errors in marker data collection. Transparency of the process is itself a guarantee of accuracy and fairness. BHR.5 acknowledged the concern and committed to address DSR involvement in the reform at the 18 March meeting (action point (d)). The current restrictions are disproportionate and undermine both trust and quality assurance.

		<i>decision to change a reference comparator.</i>	
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Amendment A7: Mandatory periodic review cycle (ADMIN(2020) 21, Article 2 – revision)

Legal reference	Current provision	Proposed change	Rationale
ADMIN(2020) 21 Article 2	Article 2 states: ‘A review process of the Salary Method shall commence no later than 31 May 2021.’ This was a one-off obligation that has been overtaken by events. The method has been extended indefinitely since 1 June 2020, with no built-in review trigger. The result: nearly seven years without revision, and a further delay to Q1 2027 for the start of social dialogue.	<i>Replace Article 2: ‘The Salary Method shall be subject to a comprehensive review every five years. The review shall commence no later than the fourth anniversary of the method’s adoption or last revision. Failure to commence a review within this period shall require the AACC to report to the Technical Group on Remuneration with a reasoned justification and a revised timetable.’ Add: ‘Where the review results in a revised method, the revised method shall enter into force no later than 12 months after the conclusion of social dialogue.’</i>	The absence of a mandatory review cycle enabled the current seven-year gap. A five-year cycle with a reporting obligation creates institutional accountability. BHR.5 confirmed this as a reform element at the 18 March meeting (action point (e)). Staff Committees at the 18 March meeting emphasised the accountability dimension: published minutes create legitimate expectations that must be honoured.

Amendment A8: Minimum adjustment floor and exceptional mechanism (DEC(2014) 004 – salary calculation provisions)

Legal reference	Current provision	Proposed change	Rationale
DEC(2014) 004 Salary calculation methodology (no-reduction provision)	The method provides that 'if the current salary grid is higher than the markers' average the current grid is maintained (no reduction in salary)'. This is the only floor: a 0% guarantee. The 2% annual budget envelope serves as the ceiling for all salary reviews. In practice, 20–30 Delegations receive less than 1% annual increases. No minimum positive adjustment is guaranteed, even in high-inflation environments.	<i>Add provision:</i> <i>'Where the benchmarking outcome for a Delegation results in an adjustment of less than 2% and the official national consumer price inflation for the preceding 12-month period exceeds 3%, the adjustment shall be no less than 2%.'</i> <i>Add:</i> <i>'Where the cumulative budget envelope is insufficient to fund the minimum floor for all Delegations in a given year, the AACC shall report to the Technical Group on Remuneration and request supplementary funding. Priority shall be given to Delegations where the gap between the benchmarking outcome and local inflation exceeds 5 percentage points.'</i>	A 0% floor is not a floor – it merely prevents salary cuts. A minimum positive adjustment protects against the most extreme cases of purchasing power erosion. 20–30 Delegations receiving less than 1% increases while facing 5–15% inflation represents a systemic failure that undermines recruitment, retention, and morale. The TGR report's own data shows that the method's aggregate success is driven by outlier Delegations, while a long tail is left behind.

Amendment A9: Reclassification of mandatory health insurance contributions in comparator benchmarking (DEC(2014) 004 – salary calculation step iii)

Legal reference	Current provision	Proposed change	Rationale
DEC(2014) 004, salary calculation methodology, step iii (adjustments for differences between marker and Delegation packages). EU Delegations' Guide: salary calculation steps iii(c), iii(d), and iii(f).	Step iii adjusts marker salaries for differences in working conditions and benefits. Step iii(c) accounts for 'contributions to a supplementary pension scheme paid by the employer in addition to the employer contributions to the primary system.' Step iii(d) accounts for income tax differentials. Step iii(f) accounts for 'general allowances: allowances paid by the markers are	<i>Add a new sub-step iii(g):</i> <i>'Where mandatory social security contributions paid by a marker employer fund benefits that are universal and flat-rate, with no actuarial link between the contribution level and the benefit entitlement, such contributions shall be treated as tax-like deductions (analogous to income tax under step iii(d)) and excluded from the adjustment for general allowances under</i>	In many duty stations, mandatory health insurance contributions are functionally indistinguishable from income tax: they are compulsory, proportional to gross salary, and deliver a universal flat benefit with no connection to the amount paid. The Serbian Law on Health Insurance (Sl. glasnik RS 25/2019) explicitly enshrines the principles of solidarity and mutuality (Article 5);

	added and the allowances paid by the delegation are deducted.’ The method makes no distinction between actuarially linked social security contributions (where higher contributions yield proportionally higher individual benefits) and redistributive mandatory levies (where the benefit is universal and flat regardless of contribution level). In duty stations with Bismarck-model health systems – including all Western Balkans countries – mandatory health insurance contributions paid by marker employers may be classified as ‘benefits’ under step iii(f), inflating the comparator package and suppressing the EU salary grid.	<i>step iii(f). This applies in particular to mandatory health insurance and unemployment insurance contributions in jurisdictions where the statutory benefit package is identical regardless of the contribution amount.’</i> <i>Add interpretive guidance:</i> <i>‘For the purposes of step iii(g), a contribution is considered to lack an actuarial link where the statutory benefit (in scope, duration, and monetary value) does not vary with the level of the contribution paid. Pension contributions are excluded from this provision, as higher contributions generally produce proportionally higher future pension entitlements.’</i>	the benefit entitlement is the same whether the employer contributes on the minimum statutory base or the maximum. The same structure applies across Bosnia and Herzegovina (both Federation and Republika Srpska), as well as other Western Balkans and Bismarck-model jurisdictions globally. If such contributions at marker employers are classified as ‘benefits’ under step iii(f), they artificially inflate the comparator package. Pension contributions are correctly treated as social security because higher contributions produce proportionally higher future pensions – the actuarial link is present. Health insurance contributions in these jurisdictions lack any such link. Several EU Member States (Denmark, Spain, Italy, Portugal) already fund healthcare from general taxation rather than earmarked contributions, confirming that the funding mechanism is interchangeable with taxation without altering the benefit. The reclassification ensures that the benchmarking comparison reflects genuine differences in remuneration value rather than artefacts of national fiscal architecture.
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Amendment A10: Flexibility to update comparators (DEC(2014) 004 – new provision)

Legal reference	Current provision	Proposed change	Rationale
DEC(2014) 004 – new provision	<i>The methodology does not permit a Delegation</i>	<i>Add a new provision:</i>	Local labour markets and reference employers

	<i>to change its reference comparator between scheduled reviews.</i>	<i>A Delegation may propose a change of reference comparator at any time where local circumstances warrant, subject to the agreement of the Delegation Staff Representatives, so that no comparator can be changed unilaterally to a less favourable one.</i>	change between review cycles. Allowing a mid-cycle change, conditioned on the agreement of the Delegation Staff Representatives, keeps benchmarking accurate while preventing the unilateral selection of a less favourable comparator.
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Amendment A11: Number of salary instalments (DEC(2014) 004 – new provision)

Legal reference	Current provision	Proposed change	Rationale
DEC(2014) 004 – new provision	<i>The methodology is silent on the number of instalments in which the annual salary is paid.</i>	<i>Add a new provision: The Delegation Staff Representatives, in consultation with Local Agents, may propose whether the annual salary is paid in 12, 13 or 14 instalments, in line with local practice.</i>	In many jurisdictions a 13th or 14th monthly instalment is standard labour-market practice. Aligning the payment structure with local practice supports comparability with reference employers and staff retention.

4. Summary of proposed amendments

Ref		Core change	Legal instrument	18 March link
A1	Inflation-response mechanism	Inflation floor + intermediate review trigger	DEC(2014) 004 – new article	18 March (a)
A2	Reference employer pool expansion	Broader list, local comparators for small Delegations	DEC(2014) 004 Art 4.1, 6 + ADMIN(2021) 21	18 March (b)
A3	GIZ comparator correction	All 6 bands, per diem inclusion, differentiated mapping	ADMIN(2021) 21 Annex	18 March (b)
A4	Job-matching / grade equivalence reform	NPO upgrade for Group I, link to standardised JDs	ADMIN(2021) 21 Annex	18 March (b)
A5	Interest on delayed reviews	ECB rate +2pp after 12 months, transparency obligation	DEC(2014) 004 – new article	18 March (c)
A6	DSR co-ownership	Full participation in analytical process under confidentiality	DEC(2014) 004 staff consultation	18 March (d)

A7	Mandatory review cycle	Five-year review obligation with reporting trigger	ADMIN(2020) 21 Art 2	18 March (e)
A8	Minimum adjustment floor	2% floor where inflation > 3%, exceptional mechanism	DEC(2014) 004 calculation	–
A9	Health insurance contribution reclassification	Tax-like treatment for non-actuarial mandatory levies in comparator benchmarking	DEC(2014) 004 step iii + new sub-step iii(g)	18 March (b)
A10	Flexibility to update comparators	Mid-cycle comparator change, subject to DSR agreement	DEC(2014) 004 – new provision	18 March (b)
A11	Number of salary instalments	12 / 13 / 14 instalments in line with local practice	DEC(2014) 004 – new provision	–

5. Immediate interim measures (2026)

Pending the comprehensive social dialogue (which USHU maintains must commence in September 2026, not Q1 2027), USHU calls for the following measures under existing legal authority:

- **Readjustment of the 2021 job-matching:** Review and correct the most significant grade equivalence distortions, particularly the crude single-band matching of multiple EU grades to GIZ band 3 and the exclusion of upper GIZ bands.
- **Urgent resolution of arrears payment:** Resolve SUMA/HR Hub reconciliation issues and report progress within 30 days (18 March action point). Issue interim ad hoc payment instructions for Delegations where arrears predate 2024.
- **Transparency on backlog:** Provide TGR with global data on Delegations with three or more pending salary reviews (18 March action point).
- **LA Medical ceiling updates:** Proceed with the scheduled 2026 updates to reimbursement ceilings without delay.

6. Related systemic issue: double taxation of LAPF contributions

LAPF contributions are made from post-tax salary, yet the lump sum paid out on departure or retirement is treated as taxable income, typically at the highest marginal rate (30% or more). This constitutes effective double taxation of the same funds over a career of 20–25 years. BHR.5 acknowledged the issue at the 18 March meeting and suggested that the 5% employee contribution could potentially be declared as a deduction from the taxable salary base. BHR.5 legal officers and Delegation tax consultants have been tasked with examining deductibility and reporting findings to Staff Committees.

7. Process commitments sought from BHR.5

- **Timetable:** Confirm that social dialogue on the salary methodology commences no later than Q1 2027, with an indicative timeline for duration agreed at the earliest opportunity.

- **Proactive communication:** Notify Staff Committees immediately if any further timetable slippage occurs, rather than waiting for the next plenary.
- **Working documents:** Circulate BHR.5's internal assessment and position paper on each of the nine amendments no later than 30 days before the start of social dialogue.
- **TGR data:** Provide TGR members with the full delegation-by-delegation salary review dashboard, including marker names and equivalences used, under confidentiality.
- **Interim measures:** Implement the four immediate measures in section 5 by end-2026, reporting progress to Staff Committees quarterly.