

REWARDS REVIEW FREQUENTLY ASKED QUESTIONS

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Our workforce is evolving. More locally hired staff (LHS) are undertaking senior positions and internationally mobile staff (IMS) come from more countries. How we work is evolving too, with new operational and support models, more intersectional activities and a growth in entities hosting staff from other countries. The implementation of the Rewards Review will result in a rewards system that provides more equity, transparency and consistency. This will better enable MSF to nurture an increasingly diverse workforce with the right balance of skills for today's operational needs and tomorrow's humanitarian challenges. MSF's Reward Review addresses these existing, longstanding problems by developing of rewards approaches through the development of a rewards system that provides more equity, transparency, and consistency. This enables MSF to nurture an increasingly diverse workforce with the right balance of skills for today's operational needs and tomorrow's humanitarian challenges. The outcomes of Rewards Review will clarify reward policies and processes, evolve staff groups, and identify a common global grading system, all of which will help address inconsistencies in pay and benefits for staff groups.

Below is a thorough list of questions that have been raised by various staff across MSF, with current responses. You can jump directly to a specific topic by clicking on a link below or browse through each question.

- About the project (contents, process, timeline...)
- On the proposed new model for Staff Groups
- On pay policies and individual pay elements
- On the changes in benefits
- On jobs/functions and the new Global Grading Framework
- On Staff Engagement and Consultation

ABOUT THE PROJECT (CONTENTS, PROCESS, TIMELINE)

Q: What exactly is the Rewards Review, and what is included in this initiative?

A: The Rewards Review is a project that MSF has embarked on to review tangible rewards for the global workforce, recognizing that existing policies and practices do not match the ambition for a diverse global workforce and do not fully support MSF's evolving operational and organizational needs. The Rewards Review has four deliverables:

- Development of new staff groups
- Determination of a revised set of pay policy standards
- Determination of minimum standards for benefits
- Development of a Global Grading Framework

Q: Why does MSF think the Rewards Review is necessary?

A: MSF has been faced with widely acknowledged, longstanding problems relating to the current system of rewards, which is seen by many as obsolete and not supporting the organization in responding to its operational mandate.

These problems include differences in pay and the treatment of different staff groups which lead to perceptions of unfairness and of the fact that a small minority of staff, namely international mobile staff (IMS) and HQ staff, enjoy privilege. These problems are seen as evidence of institutional racism and discrimination in the organisation. As a result, MSF leaders, staff and association members have called for fundamental changes in how MSF rewards its staff, including motions passed in the International and other General Assemblies. The full Case for Change can be found here (requires access to MSF SharePoint).

Q: What is the timeframe, and where are we now?

A: In 2022, the IDRH and the team developed several proposals on a new model for staff groups while also working on the key deliverables of Minimum Standards and Global Grading Framework. At the request of Full ExCom in October 2022, the team engaged with stakeholders in a thorough risk analysis to ensure the potential impacts of the proposal were understood.

In May 2023, the Full ExCom committed to key approaches for implementation and confirmed the responsibility of all entities to implement collective decisions on the Rewards Review. Since then, the outcomes of the Rewards Review have been broken down into more tangible workstreams. In October 2023, the Full ExCom confirmed the implementation timeline of the outcomes of the Rewards Review. The detailed timelines can be found here.

Q: Who is responsible for implementing the Rewards Review?

A: MSF's leadership has consistently emphasized the urgency and importance of the Rewards Review, stressing that it is a collective responsibility. To this end, in October 2022 the Full ExCom confirmed through a unanimous vote that every member accepts responsibility for managing, implementing and allocating the needed resources to support this process and any agreed changes.

In May 2023, the Full ExCom reconfirmed it is the responsibility of all members to **implement collective decisions on the Rewards Review consistently,** and requested monitoring, evaluation, consistency and accountability mechanisms to follow up these collective decisions.

The planning and design of different workstream outcomes of the Rewards Review are done through extensive engagement and contribution with a number of intersectional platforms, working groups, subject-matter-experts, and teams across the organisation. This broad and intersectional approach to planning, design and implementation ensures this is aligned to the needs of all entities and prioritised by all entities.

Q: How will this project improve attraction and retention of qualified and skilled staff?

A: There are several ways we believe this project will improve talent attraction and retention. The Global Grading Framework will improve consistency in how jobs are valued and enable people to see how jobs are aligned regardless of the entity. Changes to pay – namely the improved Living Wage Policy and the increased Attractiveness for Country-Based Coordination - will improve how we benchmark salaries, making salaries more attractive for many country-based MSF staff. A set of minimum standards for core benefits (e.g. healthcare, leave, retirement savings) will enable MSF to be more competitive and attractive to staff in comparison to other organisations in similar contexts. In addition to this, the new model for staff groups includes elements that will improve recognition of international experience and mobility and will include incentives for staying longer in coordination positions.

Q: Will the outcomes of the Rewards Review apply to all staff and entities in MSF?

A: The objective is to apply the new policies, frameworks and models that will come out of the Rewards Review to all staff working with MSF and all entities, irrespective of their nationality or status. In some contexts, it will remain

difficult to provide the full package that an employee should get due to local regulations – for example when refugees or undocumented people can't be officially contracted because of labour laws. MSF will continue to strive to provide these colleagues with the best possible package and advocate for the possibility to employ them legally.

Q: Will the Rewards Review outcomes be applied retroactively?

A: The proposed changes will <u>not</u> be retroactive. Upon approval and finalisation of the implementation plan, the changes will begin as per the agreed schedule and approach, which in some cases may be phased across many months. It is important to note that as part of the implementation planning, specific measures for staff adversely affected by the outcomes will also be discussed over the coming year. If these measures are approved, they will come into effect according to the implementation plan and approach.

Q: Is MSF engaging with other organizations and external experts?

A: The Rewards Review is informed by practices of other actions/organisations. We participate in several for a for exchanging information with other organisations.

We also have bilateral meetings with other organisations who have carried out similar ambitious projects. They have shared their experience in rolling out staff benefits and their approach to staff engagement in developing these benefits. We are also part of a network of international NGOs called Project Fair (www.project-fair.business-school.ed.ac.uk), where different NGOs exchanges experiences and challenges in relation to fairness in remuneration.

Finally, we get technical advice from HR consultancies that have worked with other sectors and organisations and know the range of policies and tools that are available and good practice. At different stages and on some deliverables, we use external consultants. For example, one of our major consultants is <u>Korn Ferry</u>, the owner of the Hay methodology that was used to build MSF's International Field Function Grid (IRFFG).

Q: How does the Rewards Review contribute to DEI and to tackling institutional racism?

A: The Rewards Review has several different deliverables, and many aspects of the deliverables and anticipated outcomes enable increased diversity, equity, and inclusion. The Rewards Review deliverables will ensure staff doing the same job will receive the same basic salary and will remove elements of the existing rewards system that are associated with privilege such as per diem. In doing so MSF will attract new and diverse staff who may have been disadvantaged by the long-standing inequities. It will also encourage existing staff to remain with MSF, encouraging retention. The deliverables will also bring much more consistency and transparency into our rewards system. However, the Rewards Review does not address every commitment of MSF's DEI priorities. The Core ExCom Action Plan to Tackling Institutional Discrimination and Racism contains many more actions unrelated to rewards. There are HR policies unconnected to rewards that some staff perceive as inequitable and discriminatory, and these are not in scope in the Rewards Review.

Q: How will volunteers and Ministry of Health (MoH) partners be affected by MSF's revised Rewards system?

A: Salaries, payments, and benefits for Volunteers and MoH partners are not in scope of the Rewards Review. We recognize that the way MSF rewards these two groups may be perceived as inequitable. However, MSF has decided that the scope of the Rewards Review is limited to *staff* who are on MSF employment contracts, given that MSF has capacity to autonomously decide on their remuneration.

There may be a perceived risk that by increasing salaries of country-based staff in programmes (often referred to as locally hired staff) MSF will either generate or increase the gap between MSF and MoH staff, and that this could increase tensions between MSF Staff and MoH working alongside or encourage MoH staff to leave and work with MSF instead.

This perceived risk was assessed, and it is believed it should not be a high risk. The groups of staff that are foreseen to have an increase due to Rewards measures are mostly the lower-level positions and the highest-level positions. Issues of tensions between MoH salaries and MSF salaries has always been a challenge, and we have never conducted a formal analysis on the internal market impact. That said, MSF is also focused on standard of care and expectations related to being a Responsible Employer.

Q: Have the legal implications of labour legislation across all countries been considered?

A: The Rewards Review team has been in consultation with the Legal Department within MSF to determine the legal implications of the proposals. This is expected to continue into the implementation phase and an analysis of legal impact by context will be developed as it is customary for any change in policy for MSF.

Q: The outcomes of the Rewards Review will have a financial impact. How will this impact the operations?

A: The financial impact of the Rewards Review has been included in the multi-year budget of MSF since 2023. The ExCom has reconfirmed that improving the way MSF staff is remunerated is a priority for the organisation and that is taken into account in the operational ambitions for the coming years. As usual, MSF will continue to strive to raise the funds necessary to respond to our humanitarian mandate and in general terms the Rewards Review will not have a major impact on MSF's capacity to operate. Calculating the exact cost of all items related to the Rewards Review is complex as not all decisions have been made. Finance Directors are continuously updated about the forecasts and the Full ExCom is in charge of validating on a yearly basis the Rewards Review budget impact forecast.

ON THE NEW MODEL FOR STAFF GROUPS

Q: What will the new staff groups look like, and what is the purpose of changing existing staff groups?

A: A Staff Groups model means that types of positions are grouped together for the purposes of defining how these groups receive pay and benefits. It is a model that provides consistency and transparency in decisions on pay and benefits. Currently, there are three staff groups: internationally mobile staff (IMS), locally hired staff (LHS), and headquarters staff (HQ). These staff groups no longer reflect the reality of how MSF works or the needs of our global workforce. For example, MSF has both HQ staff and programme staff (LHS and IMS) working in the same context and in the same location, yet are rewarded very differently in the current model, reinforcing perceptions of inequity. Another example, MSF has seen an increase in regional hubs and hosted staff across the organisation, diversifying our operating model but highlighting the inequities in how staff that either do the same job or are based in the same located are rewarded. The model for new staff groups takes into consideration these issues of inequity. The new model has been developed using strategic directions provided by the ExCom, analysis from a broad group of stakeholders, and feedback from a broad group of MSF staff.

One of the key objectives in reviewing the model for staff groups is to reduce differences in the way people are remunerated by switching the focus from the individual to the position that the individual occupies. This way, MSF will be able to significantly reduce some of the differences that exist today between staff groups, although not all differences will disappear as they will include specific allowances for mobility or other considerations.

The model will move to two new staff groups to replace the existing three. These are:

- *Country-Based* positions, defined as positions in the same context over an extended period (more than 12 months), to be paid based on the local salary grid for the country where the work happens and;
- *Mobile* positions, defined as positions that involve moving regularly during the contract period to take on different assignments and specialized positions for one-off short assignments. Mobile positions would be paid

using a global salary grid – referred to as the Single Mobile Salary Grid - irrespective of where the person filling the position comes from.

In general terms, we can say that:

- all mobile staff will be paid according to one single grid, differently than what happens today with IRP2.
- all staff in country-based positions will be paid according to the host country salary grid, with specific recognition of international experience to guarantee attraction for senior profiles with international experience.

The decision to pay all staff on the same grid (specifically on the Single Mobile Salary Grid for mobile staff) comes out of the multiple motions agreed by different General Assemblies (including the International one) which considered that using domicile to determine the salary of Internationally Mobile Staff was unfair and potentially discriminatory.

Q: What is the definition of "relocated positions"?

A: A relocated position is a position occupied by a staff member who relocates from another country for an extended period (more than 12 months) to take up a programme position. Relocated positions form part of the new staff group of "country-based" positions agreed by the Full ExCom.

Staff who have a relocated position will be paid using the salary grid of the country of work (host country). Staff who are on relocated contracts will still receive the contract in their country of domicile, therefore supporting a contact to social services available through contracting in their country of domicile, however the salary will be based on the salary grid of the country of work (host country). This is in recognition that the staff person will be based long-term in a specific context and not in their country of domicile but will still maintain a contractual connection with their home country and adhere to any legislation and social contributions and benefits of their home country. MSF recognizes that relocating to another country for a longer period of time entails different costs compared to working or living in one's own country. Attraction for staff in these relocated positions will be encouraged through different means including recognition of international MSF experience, retention, and additional benefits to enable staff to settle in smoothly.

For example:

- A person from Canada is selected for a role based in Malaysia for a 3-year assignment. They will receive a contract from MSF-Canada; however, the salary will be based on the salary grid of Malaysia because this person is expected to be living in Malaysia, and therefore impacted by the cost of living in Malaysia and not Canada.
- A person from Cote D'Ivoire is selected for a role based in Dhaka, Bangladesh for a 2-year assignment. They will receive a contract from the International Contracting Office (ICO) as Cote D'Ivoire does not have a contracting section, but the person's salary would be based on the salary grid of Bangladesh. Given this person is expected to be living in Dhaka for an extended period, their salary is linked to Bangladesh and not Cote D'Ivoire.

Q: Will staff relocating from one location of a country to another location in the same country be considered part of the relocated package?

A: The current scope of Rewards Review does not include staff who move from one region of a country to another region in the same country. Decision and approaches to address contexts where the cost of living is different between regions in a given country will continue being the responsibility of individual OCs in those contexts.

Q: Why does the proposed model divide existing Internationally Mobile Staff into those in mobile positions and those relocating for country-based positions?

A: Some Internationally Mobile Staff stay for long periods in the same position and context, which means that their link with the hosting country is very different compared to the Internationally Mobile Staff that move from one context to the other or do short assignments. This means that different approaches to salary and benefits are needed for each group. A decision on how to manage assignment extensions that would transform a position from mobile into a country-based position will be taken in the coming months when planning for implementation.

Q: What will happen in countries where both programmes (missions) and HQ/offices exist?

A: All country-based positions (formerly separated into HQ positions and locally hired staff positions) will be treated in the same way. Therefore, the same salary scale will be used for staff in the same country, whether they work in programmes and office structures. (Learn more about the pay policy here.) All positions (formerly separated into HQ and Field functions) will be graded using a global framework with the same consistent approach to valuing a position's grade/level, bringing more consistency and transparency particularly in countries where both programmes and HQ offices exist. (Learn more about the global grading framework here.)

Q: With a single mobile salary grid regardless of the country of origin/residence and regardless of the country of assignment, how will this address the different costs of living in the different countries of operations?

A: The decision to pay all staff on the same grid (specifically on the Single Mobile Salary Grid for mobile staff) comes out of the multiple motions agreed by different General Assemblies (including the International one) which considered that using domicile to determine the salary of Internationally Mobile Staff was unfair and potentially discriminatory. In this sense the rationale is to go towards the concept of "same job salary" within each staff group. This means that staff on relatively short assignment receive the same salary (calculated on a global basis as they spend limited time in the country of work), and staff on longer assignments receive the same - host country - salary (calculated on the grid of the country of work as they fully relocate to the country of work). All expenses related to accommodation will continue to be fully covered by MSF and the future single salary grid will amply enable staff to cover their expenses related to food and leisure.

Q: The single mobile salary grid is perceived as fairer and avoids discrimination for colleagues who come from countries where salaries were previously lower for the same position. However, how do you compensate for the imbalance in the difference in the cost of living between countries and the levels of purchasing power in their respective countries?

A: The decision to pay all staff on the same grid (specifically on the Single Mobile Salary Grid for mobile staff) comes out of the multiple motions agreed by different General Assemblies (including the International one) which considered that using domicile to determine the salary of Internationally Mobile Staff was unfair and potentially discriminatory. In this sense the rationale is to go towards the concept of "same job salary" within each staff group. This means that staff on relatively short assignments receive the same salary (calculated on a global basis as they spend limited time in the country of work). Current staff that might be negatively impacted will be protected until their future remuneration is not higher than their existing ones. In the few entities where the future Single Mobile Salary Grid might be lower than the current IRP2 grid, some measures in terms of additional benefits will be considered to make sure MSF remains sufficiently attractive in the future.

Q: Will it be more financially interesting to go for short assignments as mobile staff rather than a longer one in a country-based position?

A: Staff who will have a Relocated position (a contract that takes place in a single context over an extended period of more than 12 months) will be paid using the salary grid of the country of work (host country). Staff who are on relocated contracts will still receive the contract in their country of domicile, therefore supporting a contact to social services available through contracting in their country of domicile, however the salary will be based on the salary grip of the country of work (host country). This is in recognition that the staff person will be based long-term in a specific context and not in their country of domicile but will still maintain a contractual connection with their home country and adhere to any legislation and social contributions and benefits of their home country. MSF recognizes that relocating to another country for a longer period of time entails costs that are not the same of working or living in their own country. Attraction for staff in these relocated positions will be encouraged through different means including recognition of

international experience with MSF, retention, and additional benefits to enable staff to settle in smoothly (specific benefits not yet confirmed).

The decision to pay staff who are in the same context for a longer period of time on the same salary grid comes out of the multiple motions agreed by different General Assemblies (including the IGA) which considered that using domicile as a way to determine the salary of Internationally Mobile Staff was unfair and potentially discriminatory. In contexts based in lower markets and are strategically essential for the organization, MSF will introduce a flexible allowance.

Q: Who will determine if a position will be mobile or country-based for international staff?

A: Having mobile or country-based positions will largely be informed by operational needs of MSF and to an extent the availability of staff to fill positions. The assessments will be made by the individual OC as the needs determine.

Q: What happens if there are international staff working as mobile and others as country based in the same role in same country? Will this affect the principle of same job same pay?

A: Overall, MSF wants to go towards the principle of "same job same salary", although it recognizes there are factors that do not enable to reach this objective at 100%. "Same job same salary" is a concept often used to advocate for equal pay for individuals who perform the same job in the same location.

MSF also needs to consider how best to ensure mixed teams, mobility, and staffing of key roles in diverse contexts. This means that although the basic salaries for the same roles in the same location will be the same, additional allowances may be paid to staff who relocate to undertake a position. Recognising that unexplained differences generate perceptions of unfairness, MSF will explain and justify any additional allowances and benefits. Current differences in remuneration between staff in the same role already exist - not only between Locally Hired and Internationally Mobile Staff, but also between Internationally Mobile Staff coming from different countries. These differences will be substantially reduced and will depend on tangible factors such as the staffs' experiences, their experience in key roles and the level of relevance that MSF assigns to different contexts.

The Global Grading Framework (GGF) will also provide more consistency for similar jobs. The GGF transparently assigns a level on the global scale to demonstrate the value of a job to MSF, and does this consistently across the organisation, meaning that two positions with similar responsibilities and accountabilities and complexities will be graded the same level regardless of their location. This makes it possible to compare similar jobs across different entities. This may not mean they will have the same salary, as salary is determined by the salary grid of relevant MSF section.

Q: Can a staff start a position as a mobile staff with international package and automatically move to a relocated package staff if the time in the mission has been increased?

A: A decision on how to manage assignment extensions that would transform a position from mobile into a country-based (relocated) position will be taken in the coming months when planning for implementation.

Q: Recognizing a 'Returnee' package is for a fixed period, what is the time and process for a returnee to transition to a country-based position and country-based benefits?

A: Returnees (internationally mobile staff returning to their own country to work with MSF) will receive a contract in their own country however they will be paid additional allowances for a determined period in recognition of international experience. The exact period these additional allowances will be maintained will be confirmed in the coming months. These staff will be required to apply for a given position and go through the same recruitment and selection process as other internal candidates.

Q: Will international staff in country-based positions be paid in local currency?

A: International staff in country-based staff (relocated) will continue being paid in the currency of their contracting entity as happens now. However, their salary will be calculated based on the salary grid in the country where they work. For instance, a Belgian Medical Coordinator working in a country-based position in Colombia will have a Belgian contract with a salary paid in euros and their remuneration is calculated according to the Colombian salary grid.

Q: What happened to the indemnity period for international mobile staff?

A: MSF has removed the indemnity period for internationally mobile staff effective October 1, 2023. This was an outcome of the Rewards Review, as an opportunity to improve attraction and retention of mobile staff by ensuring they receive a salary based on the IRFFG global grid from day one of their international assignment.

Q: Does this mean volunteerism will disappear as an MSF principle?

A: Discussions on volunteerism, what it means and whether it should be reflected in our remuneration have been ongoing for many years. By now, in general, the broadly agreed view is that volunteerism should no longer be translated into remuneration for any staff group. As a result, the 'indemnity period' has been removed from the pay policy for internationally mobile staff. However, volunteerism remains a key principle in MSF. It is often described as including elements of associative engagement in MSF, an 'activist' attitude and commitment, etc.

Q: How will this impact current packages for international mobile staff with specific packages, such as LTA 12/24 months, Vocationer, Leap. Etc.?

A: A review of the existing packages for international mobile staff is ongoing to make sure they are aligned to the spirit of the Rewards Review and continue to respond to operational staffing needs. Additional information will be available in 2025.

ON PAY

Q: How much will salaries change?

A: We cannot provide details on how salaries and benefits might change. Salaries for Locally Hired Staff have already started changing in accordance with the new policies related with the Living Wage and the Attractiveness for Country-based Coordination positions. The changes vary context by context. For Internationally Mobile Staff, no decisions on the future Single Mobile Salary Grid and on the Relocated packages have been made yet and updated information will be available in 2025.

Q: What is the attraction allowance? Will LHS get it?

A: This is a cash allowance that will be part of the pay package for (future) *relocated staff* (part of the *country-based* staff group). This allowance is expected to be paid in a minority of targeted countries where local salary levels, even set attractively in the local labour market, are insufficient to make country coordination positions attractive for staff relocating, **and where this group of staff is a key component of MSF's staffing strategy in the country.** Locally hired staff on country-based positions will not receive this allowance.

Q: What changes to pay can be expected by staff in country-based positions in programmes (Locally Hired Staff)?

A: Our existing pay approach for locally hired staff are broadly defined by a policy, the <u>Common Frame</u>, which includes salary guidelines and policy applicable to all locations – to be adapted according to local laws and regulations. For internationally mobile staff, the pay is defined in <u>the IRP2 policy</u>. For HQ staff, it is up to each individual entity.

The Rewards Review aims at introducing minimum standards for pay, which will ensure more consistency across different parts of the organization in how we set salary.

The policies rolled out beginning in April 2024 directly impact country-based staff (often referred to as **Locally Hired Staff**). These changes include:

- Attractiveness for Country-Based Coordination. The agreement reached by IDRH for the countries to be rolled out starting in April 2024 is that the new standard positioning (point of reference) for Coordination positions is the 75th percentile of the local NGO market.
- ➤ Living Wage policy. The existing methodology has been adjusted to improve how we define our 'Living Wage', through a global policy to ensure all Operational Centres use the same methodology when reviewing salary grids. This workstream of the Rewards Review resulted in agreements on improvements to the current methodology and confirming or agreeing hitherto unclear elements of it. The key improvements to the MSF Living Wage methodology are:
 - The addition of a 5% buffer for unexpected expenses to the everyday costs considered,
 - An increase to the core family size considered (from 5 to 6, covering 75% of MSF countries)
 - A frame for exceptions on how much of the expenses the MSF salary covers (as there are generally other income earners in the core family), targeting countries where access to employment is particularly challenging and particularly for women.

Additional workstreams resulting from the Rewards Review directly impact the rewards and benefits available for Country-Based staff (Locally Hired Staff).

The roll-out of the Living Wage policy and the Attractiveness for country-based coordination positions started in April 2024 and will continue to be rolled out iteratively based salary reviews (benchmark surveys) done in each country. Therefore, implementation will then be iterative, country by country. We encourage programme staff to contact their HRCO to confirm when the benchmark salary review is scheduled for that programme country.

Q: Will there be a standard formula for reviewing living wage in a country where MSF has programmes?

A: The roll-out of the Living Wage policy and the Attractiveness for country-based coordination positions started in April 2024 and will continue to be rolled out iteratively based salary reviews (benchmark surveys) done in each country. MSF's living wage is defined as the full-time wage necessary to support the purchase of goods and services needed to provide a healthy standard of living for the staff member and their core family in modest surroundings, taking into account other income earners. Due to the variety of contexts and countries where MSF has activities, there are no external indicators that can be used in all locations where MSF is present to ensure consistency. MSF has thus developed its own Living Wage methodology and data collection, which determines how data are collected and processed to arrive at what MSF calls the MSF calculated living wage for a particular country. We use it as a critical indicator during salary reviews to check against the labour market data and aims to align its starting pay (lowest level) at least at a living wage in all locations.

It is key that all stakeholders involved in the implementation phase (comp & ben referents, HRO/HRA, desks, HRCOs, etc.) continue to collaborate closely to determine the schedule of when benchmark surveys are conducted in each country, at least every 2 years. In countries with so-called "economic turmoil" MSF will review the salary grids more often (typically every year) whenever necessary.

Q: Why can't we pay all staff in euros or dollars?

A: While salaries in some economically volatile contexts are currently set using "hard currencies" (e.g. the US dollar), there are disadvantages in doing so and this is not appropriate or feasible for many contexts, and this will continue to be the case. This internal reference document provides more details on this.

Q: So far, MSF has positioned itself in the lower half of the market. Will this change?

A: The current positioning of MSF salaries varies depending on the staff group. One of the aims of the Rewards Review is to make sure that MSF is both attractive and fair as an employer. However, this does not imply we will aim to pay at the top of the market. We are also going to continue comparing ourselves to other NGO employers. The Rewards Review aims at introducing a common standard for pay, which will define the approach to setting pay relative to other employers (i.e. the labour market) and the cost of living (through a what is called a 'living wage'). For Mobile positions, the positioning of salaries will be linked to a global reference through a survey of international NGOs that will be managed by the MSF Benchmark Unit. You will find additional details in the scenario-based case studies here.

Q: Will there be set "mandates" for coordination positions, and have we analysed the impact on the attraction of LHS to those positions?

A: Staff in coordination positions in programmes will be mandated for a maximum duration of 3 years, renewable once for a maximum of 6 years. In March 2018, the Core ExCom approved the "MSF Human Resources Principles on Staff Mobility and Team Diversity" which confirmed that any coordination position is subject to temporary assignment. The rationale for the temporary assignment of Coordination positions as stated in the HR principles on staff mobility and team diversity is the following: "MSF wants to maintain a balance in staff turnover of top management positions to ensure dynamism and continuity and to avoid complacency, in particular linked to resources and people management. In order to keep its operational reactivity, it is important to limit the amount of time a person can spend in the same position. Coordination assignments should therefore not exceed three to six years. This principle is valid for any MSF employee in a coordination position." While the Principles were validated by the Core ExCom, no concrete steps were taken at movement level to translate them into concrete policies to enable OCs to establish temporary assignments (also known as fixed mandates) in all programme settings. In late 2023, the IDRH decided that – in the frame of the Rewards Review – a common policy on Fixed Mandates was necessary.

In 2024, an agreement was reached by the IDRH on a common policy for Fixed Mandates. This will start to be implemented in early 2025. In the future, the completion of any fixed coordination mandate will be rewarded by a "Completion Bonus", with the objective of increasing stability in such positions and to partially compensate for the loss of job guarantee that the fixed mandates imply.

Q: How will we address the need to be competitive in pay for certain jobs that we have difficulties to hire (IT, etc)?

A: How we reward different specialized skills will be partially addressed through how jobs are valued, through the global grading framework.

MSF also plans to include in the pay policy ways to address the residual position- or market-specific recruitment challenges The Global Grading tool consistently assigns a level to jobs on the global scale to demonstrate the value of a job to MSF. Medical positions have been undervalued in MSF in the previous IRFFG, which will be addressed in the Global Grading Framework. This makes it possible to compare similar jobs across different entities. and – where necessary – through specific measures dealing with scarcity of skills in specific locations.

ON PER DIEM

Q: Will rewards review outcomes have an impact on taxation?

A: Until a comprehensive review of our taxation policy takes place, there will be no change. Tax remittances remain a personal (and legal) obligation of staff. The Per Diem currently received by mobile staff will be replaced with a new salary grid that will be higher than the existing salary grid for the vast majority of staff. Salaries will be taxed according

to the legislation of the contracting country. Because the single mobile salary grid will be higher for many staff, this may mean an increase in the amount of taxes paid by an individual. MSF adheres to the local laws related to income taxation.

Q: What analysis was done to come to the decision to replace per diem?

A: Per diem has been consistently perceived as a "badge of privilege" that generates unjustifiable differences within MSF staff. Several General Assemblies voted for its removal in the past few years. While the decision to remove per diem has been unanimous, work is ongoing to define what are the best ways to provide access to cash in local currency to all mobile staff, irrespective of the context where they work. The Per Diem received by mobile staff will be replaced with a new salary grid that will be higher than the existing salary grid for the majority of staff.

Q: How will mobile staff access cash without per diem?

A: Access to cash in programmes is currently being discussed as part of the implementation planning with operations-Mobile staff will be able to obtain advances in the local currency to facilitate local living costs where banking systems may be weak. This includes working with finance departments in each OC to ensure sufficient access to cash in relevant currencies in programmes and operations around the world.

ON THE CHANGES IN BENEFITS

Q: Does the proposed model provide staff relocated to country-based positions with additional benefits?

A: While aiming to go towards "same job same salary" in the same location, MSF recognizes the need to support people who are relocating to another country and wants to encourage relocation to guarantee we have mixed teams in all contexts wherever feasible. MSF recognizes that relocating to another country entails costs that are not the same of working in our own country, thus – while aiming at making sure that the base salary is the same for all people working in the same function – it includes benefits that will help cover those costs.

Q: How is the housing provision identified for mobile versus relocated staff positions?

A: Staff in mobile positions will spend a limited amount of time in the host country, so they will need support for personal logistics. This means that housing for this group will continue being provided and covered fully by MSF. Staff who relocate to take on country-based positions move for an extended period so housing costs should be at least partially covered by their salary, as for other staff from the country who have country-based positions in the same location.

In those cases where there is concern for the security of accommodation, MSF will continue providing it directly for relocated staff, but they would be asked to contribute to the cost. An installation package will help staff who relocate with the costs of finding housing & getting set up. The exact contribution modality and amount will be discussed and defined in the coming months.

Q: What benefits are being reviewed as part of the Rewards Review?

A: Benefits included in the scope of this work are life and disability, healthcare, paid leaves, and eventually retirement / pension. Some will be based on existing benefits provided to staff with some adjustments and others will be benefits that not all staff currently receive.

Benefits <u>not</u> in scope of the Rewards Review include meal and transport allowances, and other non-compensatory rewards such as learning, training, and professional development which continue being responsibility of programmes and entities.

Q: Healthcare: Will all staff get the same level of health insurance?

A: Healthcare and the coverage of its costs is organized very differently, depending on the context: sometimes it is covered by insurance (global or local), sometimes by reimbursement, and sometimes it is delivered directly by MSF. As part of the core benefits, we are working with Staff Health Units to define a core package for healthcare for all staff, which will guide changes in each country. The aim is to address key differences that exist today (e.g. what is done in case of work-related situations, what services to include etc.) bearing in mind that we cannot bridge all the differences in availability, quality and legal realities of healthcare services across the world.

Q: Retirement Savings / Pension: Will all staff receive a pension/contribution to retirement savings?

A: The core benefits being reviewed as part of the Rewards Review include retirement savings however based on the agreed priorities and timelines, policy design and decisions on retirement savings or pension contributions for MSF staff will not be reviewed until 2026. This means that MSF aims to ensure that we contribute for all staff to prepare their retirement. However, this is organized very differently depending on the country. The objective at this stage is to ensure MSF contributions are within a minimum range for all staff provided either through social systems and/or private local or global savings schemes depending on the context.

Q: What is the Home Child Allowance and how is it calculated since the removal of the indemnity period?

A: With the removal of the indemnity period in October 2023, the Home Child Allowance (HCA) became a fixed allowance, applicable for all eligible internationally mobile staff who have special mobility packages such as Vocationers and LTAs. Amounts stay at their current levels. OC-specific conditions disappear but conditions related to length of unaccompanied assignment will remain. The HCA was originally calculated based on the indemnity period however this now becomes a separate allowance with amounts set at their current level until such time as the single mobile salary grid and total package for mobile staff is developed. Home Child Allowance is linked to mobile positions and is not a general family allowance. As a result, it is not part of the package provided to locally hired staff (LHS).

ON JOBS/FUNCTIONS AND THE NEW GLOBAL GRADING FRAMEWORK

Q: What is this Global Grading Framework?

A: When determining the worth of a job for MSF we apply criteria. To be able to do this consistently there needs to be a common understanding of the role across the organization. The Global Grading Framework (GGF) is a tool based on the Hay methodology, where MSF jobs have been grouped into job families in which consistent judgements (scorings) can be made.

The Global Grading Framework will provide fair and consistent levels for all jobs in the organization regardless of where they are located. These GGF levels will become the global standard for the organization. The GGF will be used as a basis for the function grids in regional and intersectional projects, in entities, and in programmes.

Q: What is the implementation timeline of the Global Grading Framework?

A: The design and implementation of the Global Grading Framework is complex and requires the involvement and engagement of several different entities, subject-matter-experts, and intersectional platforms and working groups to

ensure it aligns to MSF's operational needs. MSF will take the necessary time required to ensure an accurate design and a consistent implementation.

- Phase 1 (2021): After consultations with key stakeholders across MSF we defined the design criteria for a Global Scoring Tool.
- Phase 2a (2022-2024): Job families are developed with input from Directors, platforms, and specialists from across MSF.
- Phase 2b (2024 early 2025): The IRFFG and some early-adopter entities will map existing jobs using the Global
 Grading Framework to refine the GGF and will help clarify that the Job Families cover all jobs as intended or if we
 need to make some adjustments. The results of these mapping exercises will be used to refine the GGF and will
 help clarify that the Job Families cover all jobs as intended or if we need to make some adjustments. This exercise
 will also identify where positions are graded, to analyse any impact.
- Phase 3 (2025-2026) Positions within the IRFFG will be adjusted to the Global Grading Framework after a full
 analysis of the impact between the current IRFFG positioning in comparison to the Global Grading function
 positioning. Individual entity function grids will be reviewed comparatively with the Global Grading function grid,
 to analyse the difference and potential impact for each entity. The exact implementation timeline will defer for
 each entity and will take several years to fully implement across all entities.

Q: How will the Global Grading Framework impact on the existing function Grids of the entities, including HQ and Locally Hired Staff in the missions?

A: When all functions in the organization have been mapped to a level in the GGF, it will determine the level of change and impact. Based on this information each entity will determine their implementation plan and approach.

ON STAFF ENGAGEMENT AND CONSULTATION

Q: How is feedback from staff taken into consideration?

A: We have regularly engaged with staff since early 2022, through an extensive series of focus groups, town halls, and presentations. We have also engaged with MSF staff through existing platforms and working groups across all entities. Several staff communications have been provided, including video presentations, information tools, and project updates. The OCs and Sections consult staff through the already established staff representation mechanisms and associations. Please contact rewardsreview@mail.msf.org with feedback or queries.

Q: How is Focus Group feedback used?

A: Focus Group Discussions conducted in 2022 and early 2023 allowed the Rewards Review team to gather more information in this complex subject. They assisted the team in gathering in-depth knowledge and feedback on issues based on different staff contexts. Although they are smaller groups, there have been more than 70 focus group discussions in the last year, ensuring MSF staff are represented by collecting in-depth feedback that would otherwise not be possible using other approaches like surveys. The FGDs were pivotal in testing assumptions and stress testing some of the proposals that were developed. The outcomes will inform whether the proposals proceed as they are, or if they require changes. We intend to use the outcomes to inform the project deliverables to the furthest extent possible. Participants will have the chance to validate their contribution.

Thousands of staff across the organisation support and contribute to the planning, design, and development of different workstreams of the Rewards Review. This includes engagement and contributions from intersectional platforms, subject-matter experts, leaders, working groups, and other teams from multiple entities and multiple

functions. The outcomes of the Rewards Review are a direct result of the feedback and contributions made by MSF staff.

END