



**Administrative Committee
on Co-ordination**

ACC/2001/HLCM/7
26 July 2001

CONCLUSIONS OF THE MEETING OF THE HUMAN RESOURCES NETWORK

(UN Headquarters, New York, 5-7 June 2001)

I. Background

1. At its second regular session in 2000, ACC decided *inter alia* that issues on the current work programme of the HR Directors would be pursued through task forces and on behalf of ACC/HLCM, common system HR directors would meet immediately before sessions of ICSC – normally for not more than three days – to review all matters under consideration by ICSC in order to determine common positions to put forward before ICSC and to select their spokesperson(s) and authorize them to make representations on behalf of ACC/HLCM.

2. The HR Managers of the UN System or their representatives met for the first time under these new arrangements at UN Headquarters from 5 through 7 June 2001 prior to the fifty-third session of ICSC, held at the headquarters of ICAO from 11-29 June. Organizations' representatives and the ACC secretariat were also invited to participate in an ICSC retreat on organizational change at Val David the weekend immediately preceding the ICSC session. The retreat was meant to serve as a backdrop to ICSC's consideration of the reform of the pay and benefits system.

II. Organizational matters

3. Mr. Patrizio Civili, Assistant Secretary-General of the United Nations and Secretary of ACC, briefed participants on the outcome of the review of the functioning and structure of ACC and the ACC subsidiary machinery.

III. Adoption of agenda and work programme and elections of spokespersons

4. The agenda as adopted is attached in annex I and the list of participants in annex II.

5. Mr. Dieter Goethel of IAEA and Ms. Jan Beagle of UN were elected as spokespersons and authorized to make representations on behalf of ACC/HLCM at ICSC's fifty-third session. Mr. Roger Eggleston and Ms. Mary Jane Peters of the ACC Secretariat were also authorized to serve as spokespersons.

IV. Issues under consideration by ICSC

(a) Review of the pay and benefits system (ICSC/53/R.4 and its Addendum)

6. Over the past year, organizations' representatives and the ACC secretariat had been heavily involved in three focus groups set up by ICSC to provide impetus to the matter. The reform of the system that underpinned common system pay and benefits was one of the most important issues that the Commission would tackle since its creation. The reform of that system was intrinsically linked to the Framework for Human Resources Management which had been approved by ICSC at its fifty-second session and endorsed by the General Assembly in resolution 55/223. If the human resources management reforms being undertaken by organizations were to succeed, they must be accompanied by modernization of that system for which ICSC was the trustee. The goals of the current reform laid emphasis on the need, *inter alia*, to improve organizational performance, to provide competitive conditions which would enable organizations to attract and retain staff of the highest quality and to strengthen management capacity.

7. The full text of the substantive statements presented to ICSC on behalf of ACC/HLCM on this agenda item and others are provided in annex III.

ACTION TAKEN BY ICSC

Pending submission of a report to the General Assembly at its fifty-seventh session, ICSC requested that the Assembly note the progress made to date and the ideas and approaches put forward on the reform of the system that underpins pay and benefits which the Commission will further consider and develop. On a related consideration, the Commission decided that it would continue with the regular review of: (a) the level of the education grant; (b) the amount of the children's and secondary dependants allowance for the Professional and higher categories; and (c) the common scale of staff assessment.

(b) Standards of conduct for the international civil service (ICSC/53/R.3)

8. In 1998, the ICSC had decided to update the 1954 report of the International Civil Service Advisory Board, "Standards of Conduct in the International Civil Service", in consultation with the organizations. Over the past three years, the organizations and representatives of the staff had worked closely with the Commission to reach a consensus on a revised text that would serve the needs of the international civil service in the twenty-first century.

ACTION TAKEN BY ICSC

After taking into account the views of the representatives of ACC, the organizations and the staff which were expressed throughout an open-ended working group held during the session, the Commission decided to adopt the revised standards of conduct.

(c) Report of the twenty-fourth session of the Advisory Committee on Post Adjustment Questions, ACPAQ (ICSC/53/R.11)

9. The report of ACPAQ contained *inter alia* the findings of the most recent round of cost-of-living surveys at all headquarters duty stations. The 5-year review process reestablished the relationship between the base city and other locations which, in the period between comprehensive surveys, had been adjusted using local indices. The difference between the new and existing (June) post adjustment multipliers in percentage terms were as follows:

Geneva	3.9
London	6.9
Montreal	10.8
Paris	8.1
Rome	12.1
Vienna	9.7
Washington, D.C.	8.4

10. Based on the reports of the observers from the ACC secretariat, organizations and the staff, and taking account of the independent role played by the representatives of the national statistical offices, the meeting recognized that the methodology adopted by the Commission for conduct of these surveys had been scrupulously adhered to and reflected the proper purchasing power differentials between the base city and headquarters' locations. The meeting decided to urge the Commission to approve these results from 1 July 2001 under Article 11 of the Statute which organizations would implement thereafter as they are obliged to do under Article 25 of the Statute.

ACTION TAKEN BY ICSC

The Commission approved the cost-of living methodology applied in the 2000 round of surveys and ACPAQ's recommendations of the survey results which were to be taken into account for determining the post adjustment classifications as of 1 July 2001.

(d) Base/floor salary scale (ICSC/53/R.9)

11. In view of the movement of the federal civil service salaries in the United States, the comparator, an adjustment of the United Nations common system scale of 3.87 per cent was necessary in 2002 in order to maintain the base/floor scale in line with the comparator's scale.

12. The meeting supported the adjustment effective 1 March 2002 which would be implemented on a no-loss/no-gain basis by consolidating 3.87 per cent of post adjustment into the base/floor scale.

ACTION TAKEN BY ICSC

The Commission decided to recommend to the General Assembly that the current base/floor salary scale for the Professional and higher categories be increased by 3.87 per cent through standard consolidation procedures with effect from 1 March 2002.

(e) Evolution of the United Nations/United States net remuneration margin (ICSC/53/R.10)

13. On the basis of the approved methodology and the current grade equivalencies between United Nations and United States officials in comparable positions, the net remuneration margin for 2001 was forecast as 112.2. As in previous years, the meeting decided to draw the Commission's attention to the margin levels at P.5, D.1 and D.2 levels which had dropped to below 110; in fact, the anticipated D1/D2 margins were distressingly at 105.3.

ACTION TAKEN BY ICSC

The Commission, when noting the margin forecast, also further noted that it was expected that the margin would decrease significantly once full details of the tax changes were known and taken into account. It therefore expected that a revised margin, based on the tax changes, would be reported to the General Assembly.

(f) ICSC Programme Budget for 2002-2003 (ICSC/53/R.13)

14. The meeting noted that the proposed programme budget proposals also reflected an internal review of the activities of the Office of the Executive Secretary and the three substantive divisions, taking account of the recommendations of the Board of Auditors on the management of the ICSC secretariat. For the organizations, the most important element in the consideration of the budget for the next biennium was that of ensuring that the budget provisions were flexible enough to allow for whatever extra support was needed in pursuing effectively and speedily the review of the system which underpins pay and benefits.

ACTION TAKEN BY ICSC

The Commission took note of the programme budget proposals which had already been included as part of the Secretary-General's budget for the biennium 2002-2003.

(g) Resolutions and decisions of the General Assembly and the legislative/governing bodies of the other organizations of the common system (ICSC/53/R.2 and R.2/Add.1)

15. The meeting noted the information contained in the document. It was also informed of the most recent resolution on human resources management in the UN secretariat which it was anticipated that the UN General Assembly would soon adopt.

ACTION TAKEN BY ICSC

The Commission took note of the information contained in the document.

(h) Introduction of the Euro (ICSC/53/R.12)

16. While the ICSC secretariat's document referred to the introduction of the Euro from a purely technical standpoint, it did raise concerns for comprehension in respect of the converted Euro rates. With the move out of different currency rates in the countries of the European Union, it was anticipated that staff members who were not familiar with the methodologies and rationale for setting these rates could have difficulty understanding why – for example – the children's allowance for those serving in France had become 1730 Euros; whereas, for those serving in a neighbouring country was 2321 Euros. It was therefore important that adequate information be made available to staff members.

ACTION TAKEN BY ICSC

The Commission decided to recommend to the General Assembly and/or organizations as of 1 January 2002 (a) the euro be used as the official currency for those emoluments which were currently set in the national currencies of the 12 euro-zone countries; the national currency amounts would be converted by applying the respective fixed conversion rates and then rounded up or down to the nearest euro; (b) converted values of the education grant for 9 currency areas and of the children's and secondary dependants allowance for nine locations; and (c) organizations' respective General Service salary scale and allowance be converted on the basis of the approach referred to in (a).

(i) Contractual arrangements (ICSC/53/R.5)

17. This element was referred to in the Framework for HR Management adopted by ICSC in 2000 as: "core, to the extent that the compensation package is common across organizations". The first guiding principle in support of this element reads: "contractual arrangements should be flexible so as to respond to organizational needs". Moreover, the determination and usage of contracts was legislated for within each organization's staff rules and regulations to meet their particular requirements and in some cases headquarters or other agreements. For the organizations, the pursuit of the study on contractual arrangements was directly linked to the reform of pay and benefits as it was clear that there might be different ways of packaging pay according to the particular contractual arrangements under which staff may be serving.

18. The meeting decided to propose that the Commission pursue this work in conjunction with that on the reform of pay and benefits.

ACTION TAKEN BY ICSC

The Commission decided to integrate its work on this subject into the review of the pay and benefits system. For this purpose, organizations would be requested to provide information to the ICSC secretariat on their different contractual arrangements, workforce statistics and policies governing career and time limited appointments.

(j) Surveys of best prevailing conditions of employment at Rome (ICSC/53/R.6), Geneva (ICSC/53/R.7) and New York (language teachers, ICSC/53/R.8)

19. The meeting noted that representatives of individual organizations located at these duty stations would present their positions before ICSC.

V. Matters related to the agenda of HLCM

(a) Sustainable employability

20. This area which had been identified by HLCM as a priority project focussed primarily on the identification and introduction of “new” employment models (i.e. no more a lifelong job with the same employer) and the consequences thereof *inter alia* for conditions of employment, contractual policy and exit strategies. Organizations increasingly requiring greater workforce flexibility were increasingly resorting to time-limited contracts; at the same time, social and demographic trends pointed to significant changes in the relationship between the younger workforce and the workplace. These trends were however more acute in certain regions than others.

21. The meeting confirmed that there were a number of impediments in UN system workplaces to realizing sustainable (a.k.a. transferable) employability; yet, remedial steps could be taken.

22. Some of these were more fundamental and related to the overall reform of human resources management in general and the reform of the system that underpinned pay and benefits in particular. A whole new set of tools was required to reward, motivate and organize employees along with the introduction of approaches which would improve the image of organizations as places where individuals acquired skills and competencies which were highly valued in other work environments (e.g. adaptability to diverse and multi-cultural environments and relational skills in work relationships with a range of interlocutors and ‘clients’). The new paradigm demanded that the employer and the employee achieve mutual success.

23. Others were more immediate, such as:

- ❖ Defining the nature of work, jobs and job titles in a manner which was readily comprehensible to other organizations (NB: job titles across the UN Family were frequently not understood) as well as to employers in the outside world;
- ❖ Abolishing policies which limit the use of professional titles (e.g. Dr., Ph.D., Professor);
- ❖ Ensuring that competency projects helped to broaden the notion of jobs and are backed up with opportunities to enhance and broaden skills and competencies;
- ❖ Designing and packaging staff training programmes so that such investments also carry value for other employers;
- ❖ Developing partnerships with NGO’s and the private sector for secondments;
- ❖ Bringing together at the inter-agency level a number of specialists from the corporate sector

and management specialists from the organizations to develop a better understanding of approaches which will ensure that other sectors recognize what has been acquired in the UN system workplace.

(b) Recruitment concerns

24. Recruitment, another area determined as priority on the agenda of HLCM, had been receiving ever-increasing attention in intergovernmental and inter-agency¹ fora. Much of the focus to date had been on process and reduction in time delays.

25. The meeting recognized that there were certainly process improvements which could reap significant advantages, particularly through investment in and use of more sophisticated IT and web-based approaches. For example, the development of artificial intelligence had made on-line selection and hiring systems reliable and cost effective. Hiring-management systems software was crucial for employers competing for the best candidates in a high-speed job market. On a typical Monday, four million people searched for work through one web site alone: Monster.com.² While most organizations posted vacancy announcements on their web-sites and even provided for on-line completion of personal history forms, there was a great deal more that could be done.

26. The world-wide labour market was getting tougher for hiring not only the best but also those who were also linguistically flexible, geographically mobile and met the organizations' diversity requirements. Increasingly the private and public sectors who operated globally were fishing in the same talent pool and regularly tried to poach attractive candidates by luring them away with attractive recruitment bonuses ('golden hellos'), rich compensation packages and extensive training and development opportunities. They also make significant investments in sourcing, strategically target their prospection efforts and creatively market themselves as 'best employers' and 'great places to work'.

27. The meeting proposed that

- ❖ HLCM consider means for greater inter-agency sharing of experience in HR planning and IT solutions, particularly as regards different hiring-management systems software.

(c) Staff/management relations

28. A project carried out with the support of three MBA students from the Cranfield School of Management had been launched to explore critical systemic issues in staff management relations within the UN family of organizations, concerning, in particular, formal and informal relations between the management and the staff associations.

¹ For example, see "Proceedings of the CCAQ *Ad Hoc* Meeting on Recruitment and Selection", Geneva, 19-21 January 1999.

² Professor Peter Cappelli, "Making the Most of On-line Recruiting", Harvard Business Review, March 2001.

29. A report, concentrating on a cross-section of UN agencies (UN, UNESCO, WHO, FAO, ILO, UNDP, IFAD), would be presented later in the year detailing the findings on the following:

- differences in the management–staff association relations and the implications of these differences among the selected UN organizations;
- management attitude towards staff associations and their impact on employee relations;
- how the staff rules and regulations are implemented in organizations and how this impacts on employee relations;
- the effectiveness, benefits and drawbacks associated with each different staff management system;
- how the external political, social, economic environment in which the management and the staff associations operate, may impact on the formation and execution of the rules and regulations set out by each organization;
- the staff consultation role: the existence of the consultation role. How do management and the staff associations interpret the role? Is there consultation? Does it assist management? Is management proactive in encouraging consultation? Does the consultation role influence the process or the outcome?

30. In the meeting, representatives of the cross-section of organizations to be covered by the study were provided with the questionnaire to be answered by both management and the staff association representatives in order to gain an in-depth understanding of the different perceptions and attitudes among the employees on the various aspects of management–staff relations.

VI. Issues arising from other meetings

(a) *Ad hoc* Meeting on social policy issues in the UN System Workplace

31. The meeting considered the Report of the *Ad Hoc* Meeting on Social Policy Issues in the UN System Workplace which had taken place in Geneva on 30 and 31 May 2001. It had brought together organizations' key players and experts: HR specialists, staff counsellors, representatives of the UN Medical Services and UNSECOORD. This was the first event held under the auspices of the new working arrangements of the HLCM.

32. It was recalled that the impetus for the meeting had been that on at least three occasions domestic violence had led to the death of staff members. In these cases, the staff members had been abused for some time and this was common knowledge amongst their colleagues. While situations did not always lead to such dramatic consequences as death, UN System staff were ever-increasingly having to confront situations that placed greater demands on them and which could result in levels of stress becoming intolerable. Stress in the workplace affected not only the professional capacity of individuals but often impaired their ability to function appropriately within their family and community. There was growing recognition by employers throughout the world of the immediate

linkages between work, family and well being; employers were therefore much more aware of the significant economic impact effective employee assistance programmes had on organizational effectiveness.

33. The report from the *ad hoc* meeting put forward a series of recommendations related to stress in the workplace, violence in the workplace and domestic violence. There were a number of initiatives which could be taken at the level of individual organizations and at the inter-agency level. In line with the ACC policy statement on work/family, the meeting recognized the fundamental linkages between having a socially responsible workplace which was safe and fair with that of having a healthy, productive and creative workforce. Specifically, the meeting -

- Expressed appreciation for the outcome of the meeting which represented an important breakthrough in dealing with these complex issues for the first time in a holistic manner;
- Recognized (a) the challenges and sensitivities associated with these issues, (b) the linkages between work, family and well-being of individuals and productivity of the workforce (c) the legal ramifications and (d) the need to translate words into a duty to care;
- Requested the ACC secretariat to constitute a multi-disciplinary task force which should develop the broad outline of a core policy to deal with verbal, physical and psychological (bullying and mobbing) abuses, sexual harassment, economic abuse and abuse of power for adoption by executive heads; the task force should be comprised of HR and legal specialists and draw upon the knowledge of staff counsellors, security personnel and others;
- Agreed that whatever policies emerged should aim at zero tolerance with respect to violence in the workplace;
- Commended the work done on competencies for the staff counselling function which eventually could be used as a model by organizations (annex IV).

(b) *Ad hoc* Inter-agency Meeting on Security

34. Participants were briefed by the Deputy Security Coordinator (UNSECOORD) on the conclusions and recommendations of the *Ad hoc* Inter-agency Meeting on Security which took place from 14-18 May 2001. Noting that the HLCM would consider the report of the *Ad hoc* meeting along with new funding arrangements for security operations, the meeting focussed on those areas of particular relevance to the management of human resources. Specifically, the meeting concluded the following:

Evacuation entitlements

- Agreed in principle to the proposal to streamline and simplify the approach to evacuation entitlements as follows:
 - (i) For the staff member, \$160 /day for up to 30 days. Thereafter \$120/day (from the second month through the sixth month);

- (ii) For family members residing at the duty station, \$80/day, for up to 30 days. Thereafter \$60/day (from the second through sixth month);
- (iii) If the staff member returns to the duty station, and the family is unable to return, or if the staff member is sent on a temporary assignment (and receives there the relevant DSA), then the first family member is paid at the higher rate of DSA (\$160 or \$120, as appropriate);
- (iv) Normal entitlements of the regular duty station continue to apply while the staff member is on evacuation (with the organizations making common sense adjustments as appropriate, depending on the pay status that the staff member may have had at the duty station, e.g. mission status, DSA in lieu of post adjustment);
- (v) Additionally, for the purposes of facilitating a small shipment of personal effects from the duty station (and incidentals including “terminal expenses”), a lump sum of \$500 will be provided to the staff member at the time of evacuation.

- Requested organizations to implement these revised allowances once approved by the HLCM so as to ensure that all staff in the field are treated in an equitable manner;

Accountability

- Noted the preliminary discussions in respect of accountability and the need to identify and implement accountability standards for security management;
- Endorsed the approach put forward by the *Ad Hoc* Meeting on Security and confirmed that this approach should be pursued on an urgent basis;
- Invited the secretariats of UNSECOORD and ACC to bring together a task force of HR and security specialists as soon as possible in order to develop accountability standards for presentation to HLCM;

Assistance to families

- Noted the close link between the discussions that had taken place at the *ad hoc* meetings on security and on social policies on this matter;
- Decided that the discussions of the security meeting be considered in the context of the decisions made on social policies;

- Endorsed the recommendation of the *Ad Hoc* Meeting on Security that all field security personnel be provided with sensitivity training to assist them in responding to issues involving staff members and/or their families.

(c) Task Force on UN Staff and their Dependants Living with HIV/AIDS

35. Further to ACC's review of the issue of UN system staff and their dependants living with HIV/AIDS and the conclusions reached thereon, the meeting examined the outcomes of the Task Force.

36. Specifically, the meeting:

- Noted that considerable progress had been achieved in a number of areas, notably the PEP Initiative, the system-wide distribution of the UNAIDS booklet, the development of training modules to accompany the dissemination of the booklet and monitoring of implementation of the HIV/AIDS policy by each organization;
- Expressed appreciation for the extra-budgetary financing of an intern by UNAIDS and UNICEF who had greatly enhanced the secretariat's capacity to intensify efforts to promote the issue of HIV/AIDS in the UN System workplace;
- Underlined that in times of limited resources, inter-agency collaboration and the forging of external partnerships was crucial to the progress and success of interventions aimed at preventing HIV infection among staff and providing treatment and care to those infected;
- Noted that, based on the results of the most recent inquiry completed by the ACC secretariat in June, several areas of concern had been identified, particularly as regards the following: (a) limited staff awareness with regard to pension and health insurance entitlements; (b) limited evaluation of HIV/AIDS training programmes and information sessions; (c) limited knowledge on the availability and location of certain resources (counselling and testing services, PEP kits, etc.); (d) adequacy of access to care and treatment, particularly in areas where there was a high prevalence of the disease; and (e) the need to determine if all staff were adequately insured;
- Urged organizations to ensure that all available materials were distributed throughout their organizations, both at headquarters and at field locations, and reiterated the request that the booklet "AIDS and HIV Infection" be made available on their respective Intranet sites;
- Urged the ACC secretariat, together with the Task Force, to explore all channels of funding including UNFIP so that work can proceed in the areas that had been identified as requiring urgent action: (i) formal training of administrative staff in matters relating to HIV/AIDS in the workplace;

(ii) accelerating access to care and treatment for all UN staff and their dependants; (iii) enhancing the dissemination of HIV/AIDS information to UN system staff; (iv) sustaining efforts to coordinate inter-agency collaboration; and (v) harmonizing to the extent feasible health insurance arrangements to ensure that all staff, regardless of locale and job category, were adequately insured against devastating illness.

VII. On-going HRM studies

(a) Comparative study on HR policies

37. Organizations confirmed their support for a follow-up survey for the study “Human Resource Management Policies & Practices in the United Nations Family of Organizations and Related Agencies: A Comparative Analysis with European Government Institutions”; the last survey had been conducted in 1997. Such studies helped to further best practices and also provided solid evidence where UN Family organizations policies and practices were in advance of those in member states. The International Monetary Fund and the Bank for International Settlements had already communicated their interest in participating in the new survey.³ It was agreed that others should be urged to participate; this would enlarge the comparison and lower the cost of the study for participating organizations.

(b) Core competency framework

38. Considerable work had already been undertaken on the development of competency modules for the HR function; draft modules had been completed for all the functional areas.⁴

39. In line with the new arrangements favouring the use of lead agency and task force-based approaches, the ILO proposed to take the lead in carrying this project forward; UNDP and UNICEF offered their support and collaboration.⁵

VIII. Follow up to previous decisions taken at the inter-agency level

(a) Simplification of processes

40. UNDP reported that its experience with the introduction of a “relocation grant”, a lump sum approach for travel, had been highly successful, especially for field duty stations. UNICEF had already implemented the simplification and UNHCR intended also to do likewise. Following certain refinements which UNDP intended to introduce, it would share its experience with all organizations. A full cost analysis would only be available at year end; however, savings in processing costs were already being evidenced.

³ Two other international financial institutions had participated in the 1997 survey: the InterAmerican Development Bank and the Asian Development Bank.

⁴ See ACC/1998/PER/R.12/Add.1, ACC/1999/PER/R.3; ACC/1999/PER/R.13

⁵ The work to be carried out was specified in paragraph 7 of the report of the 91st session of CCAQ(PER) (ACC/1999/13).

(b) Paternity Leave

41. The meeting was informed of organizations' efforts to introduce a new entitlement for paternity leave: UNICEF had introduced 8 weeks for paternity leave in line with its policy on adoption leave; WHO had introduced on a pilot/trial basis 5 days for paternity leave; and ILO intended to put forward to its Governing Body a proposal for 5 days.

(c) Participating Agencies Mobility System (PAMS)

42. PAMS was developed at the request of ACC to:

- a) support spouse employment of internationally-recruited staff members;
- b) increase the opportunities for the advancement of women;
- c) foster inter-agency mobility;
- d) promote the use of an inter-agency intranet for the exchange of information electronically; *and*
- e) increase collaboration among ACC sub-machinery on systems of common interest.

43. At present, Phase I of PAMS which had been operational since January 2000 served as a web-based communication system that allows eligible individuals (staff members and spouses) to submit their curriculum vitae to participating organizations. It was developed through the support of the former CCAQ/PER and ISCC. The following organizations participated in PAMS:

UN, UNICEF, UNFPA, UNRWA, UNHCR, WFP, ILO, FAO, UNESCO, ICAO, WHO, UNAIDS, ITU, WMO, IMO, WIPO, IFAD, UNIDO, IAEA, UNOPS and WTO.

44. Organizations confirmed their interest in pursuing Phase II of PAMS which would allow for the development of a searchable data base of resumes entered into the system that could be accessed by UN System recruiters. UNICEF had already made a financial contribution for this purpose; and UNDP announced that it would do likewise. The meeting was also informed of the interest that had recently been expressed by the World Bank in becoming a participating agency.

IX. Update on the Association for Human Resources Management in International Organizations (AHRMIO)

45. Noting that AHRMIO had started as an initiative of the organizations of the common system, the meeting was informed that the Association now had 43 organizational members in addition to well over 100 individual members who came from a broad spectrum of international not-for-profit organizations.

46. Participants who had attended AHRMIO's first executive development programme in April confirmed that it had been a resounding success. They especially appreciated the quality of the lecturers who came from four of the world's top management schools (Wharton, Cranfield, ESADE, and HEC/Paris) and the opportunity to exchange ideas and experiences with senior administrators and HR directors from a broad spectrum of other international organizations (e.g. IMF, OECD, BIS, NATO). The AHRMIO annual conference would be hosted by UNESCO from 17 to 19 September.

Annex I

AGENDA AS ADOPTED ON 5 JUNE 2001

1. Adoption of agenda and work programme
2. Issues under consideration by ICSC
 - (a) Review of the pay and benefits system (ICSC/53/R.4)
 - (b) Standards of conduct for the international civil service (ICSC/53/R.3)
 - (c) Report of the twenty-fourth session of ACPAQ (ICSC/53/R.11)
 - (d) Base/floor salary scale (ICSC/53/R.9)
 - (e) Evolution of the net remuneration margin (ICSC/53/R.10)
 - (f) ICSC Programme Budget 2002-2003 (ICSC/53/R.13)
 - (g) Resolutions and decisions (ICSC/53/R.2 and R.2/Add.1)
 - (h) Introduction of the Euro (ICSC/53/R.12)
 - (i) Contractual arrangements (ICSC/53/R.5)
 - (j) Survey of best prevailing conditions of employment at Rome (ICSC/53/R.6)
 - (k) Survey of best prevailing conditions of employment at Geneva (ICSC/53/R.7)
 - (l) Survey of best prevailing conditions of employment at New York (language teachers) (ICSC/53/R.8)
3. Matters related to the agenda of HLCM
 - (a) Sustainable employability
 - (b) Recruitment concerns
 - (c) Staff/Management relations

4. Issues arising from the meetings on:
 - (a) *Ad Hoc* meeting on social policy issues in the UN system workplace
 - (b) *Ad Hoc* Inter-Agency Meeting on Security
 - (c) Task Force on UN staff and their dependants living with HIV/AIDS
5. On-going HRM studies
 - (a) Comparative study on HR policies
 - (b) Core competency framework
6. Follow up to decisions made by CCAQ(PER) in respect of:
 - (a) Simplification of processes, including a pilot approach to the development of a “relocation grant”
 - (b) Paternity leave – an update
 - (c) Participating Agencies Mobility System (PAMS)
7. Update on AHRMIO
8. Organizational matters focussing in particular on input to HLCM
9. Other business

Annex II**LIST OF PARTICIPANTS**

UN, New York	Ms. Jan Beagle, Director, Specialist Services Division Mr. Noel Reynado, Inter-Agency Policy Officer, Specialist Services Div.
UNDP	Ms Deborah Landey, Director, Office of Human Resources Ms.Marta Helena Lopez, Chief, Policy
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IAEA	Mr. Dieter Goethel, Director of Personnel

Other International Organizations

CTBTO	Mr. Michael Hasenau, Chief, Personnel Section
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Mr. Roger Eggleston, Secretary, HLCM Ms. Mary Jane Peters, Inter-Agency Advisor on HRM

Annex III**SUBSTANTIVE STATEMENTS PRESENTED TO ICSC
ON BEHALF OF ACC/HLCM*****REPORT OF THE 24TH SESSION OF ACPAQ***

Mr. Chairman,

Allow me to begin on a personal note; I had the opportunity of participating in the 24th session of ACPAQ and, like my colleagues, was very impressed with the conduct of the meeting. The transparency and cooperativeness with which the secretariat handled the concerns raised by all the participants – members of ACPAQ, organization and staff representatives alike - was both noteworthy and praiseworthy. Hats off to the secretariat.

We note further that this collaborative spirit was also present in the data collection and analysis phases of the current round of surveys. Your secretariat has already alluded to this in introducing the report of ACPAQ's 24th session.

The report of ACPAQ contains the findings of the most recent round of cost of living surveys. Again, if I may introduce a personal reflection, this is the 5th round with which I have been associated. Over the last 25 years we have taken note of the results of the five yearly reviews some of which resulted in positive adjustments vis a vis the base city but the majority of which led to negative adjustments in the majority of duty stations. This is the very nature of the 5-year review process which reestablishes the relationship between the base city and other locations which in the period in between comprehensive surveys have been adjusted using local indices.

At the outset we must underscore that from the reports of the observers from the organizations and the staff, and taking account of the independent role played by the representatives of the national statistical offices the methodology adopted by the Commission for conduct of these surveys has been scrupulously adhered to. Mr. Bettatti's participation in the Paris survey and his own findings announced at the opening of this session validate those which have been reported to us from all duty stations - including the base city.

The organizations have taken note of the results of the surveys. There are financial implications. Each organization will manage these within its own budgetary process.

The executive heads are convinced that the surveys have been carried out on the basis of a valid methodology and reflect the proper purchasing power differentials between the base city and headquarters' locations. They anticipate that the Commission will make a determination under Article 11 of the Statute at this session which organizations will implement thereafter as they are obliged to do under Article 25 of the Statute.

STANDARDS OF CONDUCT OF THE INTERNATIONAL CIVIL SERVICE

Mr. Chairman,

I certainly do not want to belabour discussion of this important topic in the Commission, but it would be remiss of me at the outset not to express my thanks to the Commission to allow this extra time to work with you on building a text which would find the broadest possible support.

I think that we can now say that the text before us has gained support from the management and staff of the organizations and indeed almost all corners of the legal offices [which is not always easy to accomplish!]

We are also grateful to you, Mr. Chairman, for having enlisted the deft hand of Mr. Aamir Ali to assist in providing us with a clear text that is easy to read. Aamir, for those who don't remember him, is a former Director of HR and also of a major technical program of the ILO, a former Director of Cabinet of the ILO, as well as former Chairman of CCAQ and of the Pension Board. He has also authored several books.

We noted the bracketed paragraphs upon which Aamir could not reach a conclusion. In general we would favour maintaining the texts within the brackets but look forward to finding a satisfactory conclusion for the paragraphs which are bracketed.

We have only two further comments on this text which we believe will help comprehension. First, there is considerable use of the term "official" in the text which is in fact only commonly used in one organization, the ILO, to refer to staff members. It may not be fully understood by all parties; thus, we think it should be replaced by "staff member" or "international civil servant" – as is most appropriate in the text.

Secondly, in paragraph 48, we propose to clarify the text by making it clear that the impropriety of receiving supplementary payments or other subsidies after an assignment relates to payments linked directly to a staff members service in the organization. The revised text would therefore read "Nor is it proper for staff members to accept supplementary payments or other subsidies from a government or any other source during their assignment with an international organization or after their assignment if the payment is related to that assignment."

With these few comments the organizations believe that this issue should not lead to a prolonged debate.

TREATMENT OF ALLOWANCES AND OTHER RELATED ISSUES (R.4/ADD.1)

Mr. Chairman,

The organizations consider that if the reform of the system that underpins pay and benefits is to be undertaken seriously, the review of allowances and benefits must await this outcome. We should not start tinkering with some the pieces until the conceptual design is determined.

This position will not come as a surprise to you, Mr. Chairman, as we made exactly this point at the Steering Committee in London.

At the same time, I would not want you to think that the organizations wish to stop the standard, regular updating procedures from being applied in the normal course of events. Quite the contrary.

Nor would we in any way wish to prevent organizations from moving forward with their on-going efforts to simplify administrative processes or payment arrangements for some of these entitlements.

Rather, we think it would be inappropriate now to start looking at the design of one or other allowance or benefit without having before us a more coherent picture of what our overall design will look like.

Reforms in these areas are undoubtedly needed but will need the same consultative approach and the same concentration as we are applying to the system that underpins pay and benefits itself.

Hence, while normal updating arrangement should apply, an in-depth analysis of these allowances at this stage would be premature. We therefore kindly request that you so advise the General Assembly.

Any other approach would be conceptually flawed, at best, lead to tinkering, and at worst, could open the door to some attempt to trade one allowance against another - some might say "horse-trading".

Moreover, with limited talent and resources available to us – both within the ICSC secretariat and the organizations – we must avoid diluting our efforts by taking on too many fronts at once. Such a dilution of focus and resources could only lead to undermining our success.

Let us be bold and support the postponement as suggested by your secretariat in paragraph 31(a) of the document.

CONTRACTUAL ARRANGEMENTS

Mr. Chairman,

We are grateful to your secretariat for the information contained in the document .

First, let me recall however that this element is referred to in the Framework for HR Management as: “core, to the extent that the compensation package is common across organizations”. The first guiding principles in support that element reads: “contractual arrangements should be flexible so as to respond to organizational needs”.

Hence, we must recall that the determination and usage of contracts is legislated for within each organization’s staff rules and regulations to meet their particular requirements and in some cases headquarter’s or other agreements.

For the organizations, the pursuit of the study on contractual arrangements is directly linked to the reform of pay and benefits as it is clear that there may be different ways of packaging pay according to the particular contractual arrangements under which staff may be serving. Thus, work on this area can only be pursued in conjunction with that on the reform of pay and benefits.

As we move forward, there are two areas which we feel worthy of attention: first, the question of contractual arrangements for project staff; and second, a more conceptual issue which relates to the changing nature of the work environment and is commonly referred to as “sustainable employability” or “transferable employability” and which we believe must be looked at in the context of contractual arrangements.

The concept of sustainable employability encompasses the skills, knowledge and competencies that enhance an employee’s ability to secure and retain a job, progress at work and cope with change including securing another job and entering more easily into the labour market at different periods of the life cycle. Lifelong learning combined with learning in the workplace have distinct functions in promoting an individual’s employability over her/his lifetime.

The ACC High Level Committee on Management is looking into the manner in which such a concept impacts on the conditions of service of the UN system workforce while preserving the integrity and independence of the international civil service. We shall, of course, keep you fully informed of any conclusions reached by the High Level Committee in this respect.

Let me recapitulate, Mr. Chairman, that the consideration of contractual arrangements flows from the conclusions which we will reach in respect of the system of pay and benefits.

INTRODUCTION OF THE EURO

Mr. Chairman,

As your secretariat has indicated, the document before us refers to the introduction of the Euro from a purely technical standpoint.

We are of course grateful for the information brought forward but it does raise concerns for comprehension in respect of the converted Euro rates. Let me explain. As we move out of different currency rates in the countries of the European Union, we anticipate that staff members who are not familiar with the methodologies and rationale for setting these rates will have difficulty understanding why – for example – the children's allowance for those serving in France is 1730 Euros; whereas, for those serving in a neighboring country is 2321 Euros.

While, of course, we know why these rates are different levels, it will be necessary for organizations to have very clear explanations available for staff. To this end we propose that the two secretariats collaborate in the preparation of explanatory texts which can be provided to staff members at large and put on our web sites.

At a later stage in the reform of the pay and benefits system, we may need to revise the methodologies underlying these allowances in order to simplify the current complex situation.

EVOLUTION OF THE MARGIN

Mr. Chairman,

This is another issue which we hope can be dealt with speedily.

We have noted the anticipated revised margin level of 112.2 for 2001.

As in previous years we must again draw attention to the margin levels at P.5, D.1 and D.2 levels which have now dropped to below 110. In fact, the anticipated D1/D2 margins are distressingly at 105.3.

REFORM OF THE SYSTEM THAT UNDERPINS PAY AND BENEFITS

Mr. Chairman

At the opening of this session, I already had the occasion to comment on the positive process undertaken in connection with the review of the system that underpins pay and benefits. We welcome these new working methods, namely the introduction of the focus groups and the support given to them through the Steering Committee. We look forward to continuing this interactive process at the current session and beyond.

Such approaches have the additional advantage of providing organizations with the opportunity to consult widely with their constituencies at the individual organizational level. As we repeatedly heard over last weekend, wide consultation is crucial if true change is to occur and be accepted by those who will benefit from the reform, namely the management and staff of each organization in the common system.

At the outset, let me underscore that ACC sees the reform of the system that underpins pay and benefits as intrinsically linked to the human resources management framework. If the human resources management reforms being undertaken by organizations are to succeed, they must be accompanied by modernization of those systems for which ICSC is the trustee.

Let us recall for a moment the schema - or organigram – of the HR framework itself and of the inter-linkages between each of the elements that comprise it.

From this we can readily see that the review of this system which underpins pay and benefits is a central feature of organizations' efforts to reform and modernize overall performance management systems, and indeed, organizational performance itself.

You will have noted that I have been referring to the "system that underpins pay and benefits" rather than the "pay and benefits system". This new nomenclature is more than semantics. This shifts the emphasis away from pay itself and reflects the desire of organizations to change the conceptual basis and structures on which the pay and benefits system is built. Look again at the framework and you will see how the element of pay and benefits is directly linked to the key areas of concern to the management and staff of the organizations such as job design, career development and those factors that ranked highest on the chart on "what workers want most, i.e. the importance of the nature of work, the quality of management and supervision, gaining new skills on the job and of having some control over the work content. [These findings were provided in the retreat over the weekend and are readily available to those who were not present.]

The academic research which underpins these findings underscores again - as we did in the HR framework - that piecemeal approaches are no longer valid. Moreover, this research confirms that the Taylor model which saw jobs as static without consideration for the linkages and the dynamic relationship between the job and the individual incumbent has become obsolete.

It is now time for us to update the concepts and structures that underpin our system in an

integrated, holistic way. The status quo is not an option. Now that we have this window of opportunity, we should not let ourselves fall into the trap of “tinkering” with the current system. The current system is almost bankrupt since it does not enable us to keep up with our HR reforms despite our best efforts. We must be realistically radical. We must not employ the excuse that some systems such as performance appraisal are not yet fully developed. They may never be fully developed as these are on-going processes and not static systems. Their development will only be slowed down or halted if we fail to modernize other vital parts of the HR framework.

As I said a year ago, the reforms on which we are embarking may not affect all of us in this room today given our ages and proximity to retirement. But it is up to us all to leave a positive legacy for the future workforce that will serve the organizations of the UN System, and at one point in time might even find its place in history as the BHA principle side by side with those of Flemming and Noblemaire.

Let us also recall that the goals of this reform lay emphasis on the need *inter alia* to improve organizational performance, to provide competitive conditions which will enable organizations to attract and retain staff of the highest quality and to strengthen management capacity. Over the last several years, this area has received ever-increasing focus by organizations with the introduction of results-based budgeting, competency frameworks, assessment centers, extensive management development and coaching programs, new performance appraisal systems and the like. This must now be complemented by the conceptual and structural building blocks which will support initiatives being undertaken by organizations.

Another goal is of increased flexibility. But this must also be viewed within the essential objective of maintaining a core common system to which we have already adhered through the HR Framework and the reaffirmation of the Noblemaire and Flemming Principles. Greater flexibility does not mean watering down of our common system. Indeed, as we have said before, it could lead to a greater cohesiveness and increased confidence in it by staff and the organizations.

Let me turn now to the new approaches being suggested in the document. In our view, the options put forward at this stage have not yet been sufficiently developed to take an either/or approach. We must not close any door. Moreover, along the lines of what I said before about making sure that there is broad understanding of the words we use. We should move away from such terms as “linked grades” and “broadbanding” which have become somewhat emotive; let us focus instead on what we wish to achieve. For example, we want the nature of work to be defined in a broader context which in addition to being fair, objective and transparent will facilitate the focus on the development and empowerment of individuals.

Similarly, we seek a system which will strengthen the management of performance and reward individual contribution and depth of experience rather than length of service in a fair and transparent manner and in the end lead to better over-all management of each organization.

Our future work must bring in other “players”, including the Pension Board. Also, as we pursue our work, we must review at a later stage the criteria for determining the categories

(e.g. Professional, General Service, National Officer); the nature of work and the introduction of new technology have dramatically changed our workplaces since the definitions were established over two decades ago.

With this backdrop, let us discuss where we go from here.

We have purposefully not given our views on the options put forward in the document so we can all participate in this next informal phase of the process with open minds. As I said earlier, it would be premature to close off any option.

Let us not get bogged down in a debate on how long this change process is going to take. It is better to get a solid product. We are convinced that the overall design could be completed quite quickly; we must take advantage of this window of opportunity even if the finer points on some features may take longer. From the outset, member States concerns for adequate controls should be effectively built in as an integral part of the design phase.

Implementation will require a number of strategic approaches – notably in terms of communication - and will need consultations within each organization. In any case, there is no need for the implementation time-table to be the same for each organization.

My statement is long. But this is probably one of the most important discussions we have had in the last twenty years. The executive heads are being kept abreast of developments and as we said over the weekend they remain fully committed to reform in this area.

One last comment, Mr. Chairman, broad consultation with member states throughout the process is clearly going to be crucial to the success of this process and while we must all take our responsibilities to move this forward with governing bodies and the General Assembly your leadership with the Fifth Committee may well be the “make or break” of our success. (recall BHA principle).

PROPOSED PROGRAMME BUDGET FOR 2002-2003

Mr. Chairman,

We have taken note of the proposed programme budget.

We are pleased to note from paragraph 6 of R.13 that these proposals also reflect an internal review of the activities of the Office of the Executive Secretary and the three substantive divisions taking account of the recommendations of the Board of Auditors on the management of the ICSC secretariat.

For the organizations, the most important element in the consideration of the budget for the next biennium is that of ensuring that the budget provisions are flexible enough to allow for whatever extra support is needed in pursuing effectively and speedily the review of the system which underpins pay and benefits.

Annex IV

DRAFT COMPETENCIES FOR COUNSELLING PROFESSIONALS

- ❖ Professional certification or graduate degree in counselling, psychology, or related field
- ❖ Significant field experience *and* experience as an international mental health practitioner
- ❖ Knowledge of UN social context (preferably gained through work experience within the United Nations)
- ❖ Adaptability (ability to live functionally in austere, insecure environments and to adjust rapidly to different social, professional, and geographic settings)
- ❖ Multicultural experience and appreciation for diversity
- ❖ Optimistic life orientation (implicit in “helping” paradigm ...idea that one can improve life conditions)
- ❖ Empathic, non-judgmental orientation
- ❖ Well-developed communication skills (oral, written, listening, and other non-verbal forms of communicating)
- ❖ Proficiency in problem-solving
- ❖ Social competency (e.g. social judgment and self-awareness)
- ❖ Theoretical, empirical acumen integrated with clinical competencies
- ❖ Resourcefulness
- ❖ Awareness of common counsellor caveats (e.g. “unionizing”, overzealous client advocacy, burnout)
- ❖ Collegiality
- ❖ Adherence to professional boundaries (consistent with education, training and supervisory experience)
- ❖ Awareness of the need for self-care (movement toward self-awareness; evidence of engagement in self-care; willingness to participate in counsellor debriefings and individual.