



**Chief Executives Board
for Coordination**

CEB/2008/HLCM/HR/40/Rev.1
16 December 2008

High-Level Committee on Management

**CONCLUSIONS OF THE MEETING
OF THE HUMAN RESOURCES NETWORK**
(Videoconference, 18 November 2008)

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INTRODUCTION

1. The HR Network held a video conference on 18 November 2008, chaired by Mr. Steven Allen HR Network Spokesperson and Director HR Management, UNICEF. The Agenda is attached as Annex I. The list of participants is in Annex II.

A. Working Group on the Review of the methodologies for GS Salary Surveys at Headquarters and Field duty stations – Discussion with the ICSC Secretariat

2. The CEB Secretariat introduced the agenda item informing that the ICSC Working Group met from 20 to 24 October 2008 in New York. The WG was composed of four Commissioners, three staff federations and six representatives of the HR Network (IAEA, FAO, ILO, UN, UNDP, UNICEF) as well as the CEB Secretariat. The WG proposed nine options which are outlined in the matrix prepared by the ICSC Secretariat (attached as Annex III).

3. The ICSC Secretariat introduced the options and the related activities and timeframe. The discussion was focused mainly on Options One to Four; Option Five being status quo with some changes; the other options were merely variances of the first options and Option Nine to consider other issues. Option One would require looking at all aspects of the methodology. A comparative study of the survey methodologies used by vendors would be undertaken; the deadline for submissions from vendors is 12 December 2008. Option Two would require a less drastic review; the role of the vendor will depend on the specific decisions taken by the WG. It would be premature to draw any conclusions on how the methodology would change as it will depend on what option is chosen. However, it is clear that the Fleming principle will remain. Transparency and credibility of the process are also central issues of the process.

4. Whilst some organizations would have preferred to proceed in making a recommendation at this time, other organizations as well as the Staff Federations (FICSA, CCISUA and UNISERV) stated the importance of further studies and a thorough analysis before committing to any of the options. UNICEF stated that the process should not be dragged on as it was a costly exercise that needed to be concluded in a reasonable timeframe. UNDP further stated that it has been under a lot of pressure to revise the methodology.

5. ICSC also found it premature to draw conclusions at this stage as a lot of work still needs to be undertaken. The organizations agreed on this matter and left any decision to the next working group in February 2009.

Conclusion and Action: *The HR Network thanked the WG for the work undertaken so far on this complex issue. The Network agreed that considerable work still needs to be undertaken and more time should be allowed for further study to determine if the options presented are viable. The decision on the options should be left to the next WG meeting in February 2009.*

B. Declining Professional Staff Salaries in Europe

6. IAEA introduced the document on the Declining Professional Staff Salaries in Europe which had been presented to the HLCM session in September 2008. HLCM noted with concern the significant decline in professional salaries in Euro-denominated duty stations and requested the HR Network to further consider the document and to report on its recommendations to the HLCM.

7. IAEA began a review of the professional salaries in Vienna and noted that the net take-home pay had not kept pace with local inflation. After seeking more data this was found to be a common feature in Euro-zone duty stations. The ICSC Secretariat confirmed that the “out of area” expenditure (OOA) is one of many factors that influence the evolution of salaries and that the reduction in the OOA weight, does not necessarily lead to an increase in the Post Adjustment Index for Euro-denominated duty stations, this depends on the relativities of the other components in relation to New York. IAEA stated that the declining net take-home pay created ongoing negative ramifications to the organization’s ability to attract and retain the best candidates. IAEA was also concerned about the lack of equity between duty stations.

8. Some Network members expressed the view that before reducing the OOA weight more analysis should be undertaken. A look at the situation when it was the other way around should be taken, i.e. when the U.S. dollar was stronger than the euro, as well as taking a longer term view than just the last seven years. The ICSC Chairman clarified that if the OOA component in the Post Adjustment Index is reduced this will have implications on other components, therefore he advised caution in requesting ACPAQ to reduce the OOA weight.

9. The ICSC Secretariat had proposed to have a one day workshop in Vienna before ACPAQ to study this issue from all sides.

Conclusion/Action: *The HR Network thanked the IAEA for the presentation and agreed that ICSC should hold a workshop to look at this issue further prior to the ACPAQ meeting in January 2009.*

C. Jointly-funded Salary Survey Activities for the General Service Category for the Biennium 2008-2009

10. The CEB Secretariat recalled that at the Spring 2008 session of the HR Network, WIPO informed that they will not be contributing to the Salary Survey Activities any longer. The United Nations Accounts Division was now in the process of billing organizations for this activity and needed a formal position from the HR Network regarding WIPO’s position. WIPO was invited to comment on this issue and the WIPO representative recalled that in 2005 a Working Group composed of all the organizations decided on the cost sharing method for the Jointly- funded Salary Survey Activities (document CEB/2005/HLCM/3 refers). The cost-share was based on the field presence of organizations, and considering the principle of solidarity, practicality, and usefulness. To this end all organizations with no field presence were expected to commit themselves to pay 1 per cent as their share of contribution.

11. WIPO reiterated its reservation to continue to contribute as per the 2005 agreement since there was one organization that was not paying the agreed share of 1 per cent. Furthermore, they had received comments from Member States in the Programme and Budget Committee in this regard. However WIPO informed that if all organizations participate in the cost-sharing arrangements as clearly expressed by the working group, they would be also prepared to start participating on a solidarity basis.

12. The majority of organizations agreed that the principle of solidarity should be applied to all organizations of the UN Common System, although a minority of organizations had reservations. On such basis, WIPO agreed to contribute the minimum share of 1% of the biennial budget of the UN salary survey activities. The CEB Secretariat would accordingly inform the organization (UPU) that was originally not included in this cost-sharing arrangement that they would also be charged the minimum share of 1% for the biennium 2008-2009.

Conclusion/Action: *The HR Network agreed that the principle of solidarity should be applied to all the organizations of the UN Common System. The CEB Secretariat would inform the organization (UPU) that was not included in the cost-sharing that they would also be included for the biennium 2008-2009.*

D. Mission report to the UN Viet Nam Communications Team

13. A joint UNFPA, UNICEF and UNDP HR mission to Viet Nam took place from 22 to 26 September 2008. Two of the team members, Florence Sykes from UNFPA and Dushyant Joshi from UNICEF briefed the Network on the mission. The focus of the mission was on the UN Viet Nam Communications Team. .

14. In December 2006 the UN Country Team decided to create a “One Communications Team” comprising communications personnel from UNDP, UNICEF and UNFPA to provide cross-cutting and UN-wide communication services. The members of the “One Communications Team” have been working well together during the past 18 months and are committed to One UN. Nevertheless the team raised a number of issues, including Job Classification, contractual modalities, funding and the sustainability of some positions and team structure, training and career growth.

15. The Resident Coordinator, with the agreement of the HR Directors of UNFPA, UNICEF and UNDP, decided to introduce UNFPA’s Performance Appraisal and Development system (PAD) for the staff of the Communications Team, starting in 2009. The use of system provides for use of multi-rater feedback from individuals within and outside the Communications Team as well as from individuals outside of the organization.

16. UNESCO inquired about the legal implications of using the UNFPA PAD system by staff from other organizations. Regarding this issue, the team members recommend that organizations sign an MOU to confirm that this is the system in use by their staff in the team. However, it was mentioned that more work need to be done in this area.

17. The team concluded by stating that follow up will take place under DOCO's auspices. The HR Network is also urged to be engaged and involved with the pilot, legal issues may come up and the Network's guidance and support will be needed.

Conclusion/Action: *The Network thanked the joint mission team members for the briefing and the report. The HR Network will be also briefed by DOCO and the staff members that directly work on the Viet Nam pilot. The Network agreed to stay involved in the Pilots and to provide support and guidance.*

E. Mandatory Age of Retirement

18. The CEB Secretariat recalled that the review of the mandatory age of retirement is in the HR Network's Programme of Work and the Network will be making a recommendation to ICSC in 2009.

19. According to the JIU Report on the "Age Structure of human resources in the UN system", the retirement age in the UN system is low compared to national governments, international organizations and multinational private companies. This will have a significant impact with the expected retirement wave. The JIU recommended more active involvement by the HR Network in this issue. To this end the CEB Secretariat will facilitate a study of the issue and proceed with the recruitment of a consultant for this purpose.

20. The CEB is in a position to partially fund a consultant for this study but would require further funding from organizations – approximately US\$15,000.00.

Conclusion/Action: *Organizations that are in a position to voluntarily contribute to the study should inform the CEB Secretariat. UNESCO and UNICEF indicated that they may make some funding available for this study.*

Annex I

Agenda

1. Working Group on the Review of the methodologies for GS Salary Surveys at Headquarters and Field duty stations (ICSC matrix work plan)
2. Declining Professional Staff Salaries in Europe (CEB/2008/HLCM/23)
3. Jointly-funded Salary Survey Activities for the General Service Category for the Biennium 2008-2009
4. Mission report to the UN Viet Nam Communications Team (CEB/2008/HLCM/HR/39)
5. Mandatory Age of Retirement

Annex II

List of Participants

New York:

Ms. Marianne Brzak-Metzler, UN
Mr. Steven Allen, UNICEF
Ms. Ruth de Miranda, UNICEF
Mr. Sean Hand, UNFPA
Ms. Florence Sykes, UNFPA
Mr. Henrietta de Beer, UNDP
Mr. Tarik Kurdi, UNHCR
Mr. Serge Nakouzi, FAO
Mr. George Heymell, WFP
Mr. Kingston Rhodes, ICSC
Mr. Wolfgang Stoeckl, ICSC
Mr. Yuri Orlov, ICSC
Mr. Claude Jumet, UNISERV

Paris:

Ms. Dyane Dufresne-Klaus, UNESCO
Ms. Annick Grisar, UNESCO
Mr. Colin Bell, UNESCO

Rome :

Ms. Giorgia Salucci, IFAD
Mr. Amin Anjum, IFAD
Ms. Antonella Foti, IFAD
Ms. Penny Henley, IFAD

London:

Mr. Christian Dahoui, IMO
Mr. Thierry Bregliano, IMO
Mr. Alnoor Nathoo, IMO

Geneva:

Ms. Sue Hudson, ILO
Ms. Patricia Chale, UNHCR
Ms. Nancy Raphael, UNAIDS
Mr. David Nolan, WHO
Ms. Patricia Geddes, WMO
Mr. Svein Arneberg, WIPO
Mr. Michel Ciampi, WIPO
Mr. Peter Meyerhoffer, WTO
Ms. Valerie Seguin, FICSA
Mr. Christophe Land-Kazlauskas, CCISUA
Mr. Remo Lalli, CEB Secretariat
Ms. Marta Leichner-Boyce, CEB Secretariat
Ms. Cristina Milano, CEB Secretariat

Vienna:

Ms. Doug Northey, IAEA
Ms. Angela Jackson, IAEA
Ms. Rula Sabat, IAEA
Ms. Sotiria Antonopoulou, UNIDO

Montreal (by audio):

Ms. Donna Gallup, ICAO

Amman :

Ms. Lubica Mandicova, UNRWA (by audio)

Nairobi :

Mr. Suleiman Elmi, UNON
Mr. Jerome Davin, UNON

Annex III - Review of the methodologies for GS Salary Surveys at Headquarters and Field duty stations

ICSC Matrix

	Decision of the Working Group	Explanation/comments	Activity	Status	Assigned to	Deadline
OPTION 1						
Purchase customized data from external vendor						
(a)	Selection process for outside vendor (in accordance with the procurement process)		(1) Consult PD and PD Procurement Manual and (2) Provide process description to WG	(1) - done; (2) - under way	ICSC secretariat	26-Jan-09
(b)	Establish the exact survey mechanism used by vendors in data collection and analysis	Under (b) - (e), a comparative study will be done of the survey methodologies used by external vendors, including employer and job selection, data collection, job matching, elements of the compensation package surveyed, data aggregation, percentiles use, geographical coverage, customization details, cost, etc.	Post a Request for Information through UN Procurement Division	Some information already available, RFI sent to PD for further information		12 Nov 2008 - for submission of RFI
(c)	Establish where this approach could be applicable					12 Dec 2008 - for response to RFI
(d)	Ascertain possible degree and cost of customization, particularly in the selection of employers and jobs					
(e)	Establish the vendors' costing policy					
(f)	Explore comparability of internal and external data	Items (f) to (j) are subject to responses received from prospective vendors and may require the purchasing of additional sample data based on the agreed customization parameters.	Based on response to RFI, proposals for WG will be prepared	Pending: work to start after receipt of responses to FRI	26-Jan-09	
(g)	Explore the need and ways to compensate for those elements which no longer may be tracked					
(h)	Some methodology requirements (e.g. those relating to employer and job selection/retention, as well as data collection and analysis) may either be rendered moot by this approach or could become a stronger tool in a revised					
(i)	Establish cost-benefit implications					
(j)	Review the roles of survey participants with a view to maintain transparency.			Under way		
Proposed activities						
(1)	Request the external vendors to provide additional information on the degree of customization that they would be willing and able to provide (pre-determined list of employers, particular sectoral breakdown, detailed job descriptions, willingness to share information with the Local Salary Survey Committee (LSSC) on the job matching process, possibility of using the current ICSC methodology when collecting the data)	Covered by the FRI (see Option 1 (b) to (e) above)				

	Decision of the Working Group	Explanation/comments		Activity	Status	Assigned to	Deadline
(2)	Contact some global comparators/international organizations to seek further details on their current approaches of external data collection (invite expert to next session)	Under this item, an overview of best practices in the area of labour market-based compensation will be provided. Also, the secretariat look into the possibility of inviting a representative of a consulting firm specializing in compensation surveys to attend the Working Group's next meeting.		(1) Provide overview of practices of World Bank, EU, OECD, the US State Department; (2) Invite a representative of a consulting firm the next WG meeting	Most information on (1) already available; (2) Secretariat will explore the possibilities, available within the procurement process, of inviting one of the prospective vendors.	ICSC secretariat	12-Dec-08
OPTION 2							
Outsource data collection phase to an external vendor in line with the ICSC survey methodologies							
(a)	Define the role of the external vendor from the start to the end of the process and review the roles of other survey participants accordingly	This item is subject to the decisions of the Working Group. Exact role of the vendor will depend on specific decision which the WG will take.			Work will start after the next WG meeting and based on its decisions	ICSC secretariat	Mar-09
(b)	Explore ways to maintain the maximum possible transparency of the process	Options will be explored based on vendor responses to RFI		Based on response to RFI, proposals for WG will be prepared	Pending receipt of responses to RFI		26-Jan-09
(c)	Establish cost-benefit implications	Will be determined based on vendor responses to FRI					
OPTION 3							
Public sector data collected by ICSC secretariat; private sector collected by an external vendor in line with the ICSC survey methodologies							
Proposed activities							
(1)	Assess the possibility for the vendor to apply the same methodology for the private sector as one that will be applied by the ICSC to survey the public sector to ensure consistency in the data collection phase	Option 3 is a variant of Option 2. Vendor responses should provide the required information		Based on response to RFI, proposals for WG will be prepared	Pending receipt of responses to RFI	ICSC secretariat	26-Jan-09
(2)	Calculate the cost-benefit estimate of this proposal.	Will be determined based on vendor responses to FRI					

	Decision of the Working Group	Explanation/comments	Activity	Status	Assigned to	Deadline
OPTION 4						
Extend period between surveys [up to seven years] and apply interim adjustment in reference to cost of living, cost of labour and other indices (ICSC would have the flexibility to conduct surveys anytime between the fifth and seventh year)						
(a)	Establish specific conditions which would necessitate a survey before the seventh year	This a separate option <i>per se</i> but a procedure relating to the interim adjustment. It can be combined with the other options. The activities under this option will be carried out jointly by SAD and COLD of the ICSC secretariat. An input from UN will also be required.	(1) Request data from UN for non-HQ; (2) Analyze the interrelationships between the movement of indexes and survey and interim adjustment results; (3) Propose specific triggers and thresholds for starting a survey	(1) UN has been requested to provide data on a sample of locations as well as other additional information; (2) & (3) to be completed jointly with COLD/ICSC	UN & ICSC secretariat	(1) 5-Dec-08; (2) & (3) 9-Jan-09
(b)	Determine the percentage rate of the index to be applied	Based on the experience of the previous round of surveys, the appropriateness of using 90 per cent of the reference index will be reviewed. The application of adjustment indexes to net outside salaries will also be modeled.	Modeling to be done for (1) HQ and (2) a sample of non-HQ locations	(1) - Under way; (2) - Pending receipt of data from UN	ICSC secretariat (with input from UN)	9-Jan-09
(c)	Examine net/gross relationship as affected by the adjustment index					
(d)	Transform the LSSC into a standing committee which would monitor remuneration levels, keep track of indices, and maintain contact with employers	More details are required from the authors of the proposal; final outline of the proposal will depend on the decision of the WG on further data collection mode	UNISERV to provide details of proposal	Request to UNISERV to be sent shortly	ICSC secretariat (with input from UNISERV)	21-Nov-2008 - for sending request to UNISERV; 19-Dec-08 - for receiving feedback
Proposed activities						
(1)	Explore various reliable and readily available indices for most surveyed duty stations;	Covered under Option 4 (a) to (c) above				
(2)	Provide further information on the representativity of these indices					

	Decision of the Working Group	Explanation/comments	Activity	Status	Assigned to	Deadline
(3)	Prepare simulations and comparative analysis of the trend of these indices over the last two rounds under the current methodology;					
(4)	Conduct forecast analysis to determine the future trend of some of these indices;	No time should be waived on this because this is impossible				
(5)	Consider the possibility of tracking regional indices for some groups of countries with similar local economic conditions.	See Option 4 (a) above	Availability and applicability of regional indexes will be explored and reported to	Under way	SAD/COLD (ICSC secretariat)	26-Jan-09
OPTION 5						
Revision of current methodologies						
(a)	Identify areas for enhancing the ability of the methodology to capture a vast range of market conditions. Explore the possibility and evaluate the impact of:	Although it will make every effort to address the issues raised under this Option, the secretariat believes that, in order to allow for meaningful research and preparations to be completed and for				
(i)	Combining the two methodologies in one;		Request the autor to elaborate on the proposal		FAO, UN	
(ii)	Maintaining two methodologies but reviewing the duty stations which would be under each (i.e. replace the headquarters vs non-headquarters division by grouping countries by similar economic conditions);				ICSC secretariat and UN	
(b)	Establish minimum number of staff which would trigger the need for a full survey; propose a mechanism to adjust salaries at smaller locations;				UN and ICSC secretarait	
(c)	Identify measures to increase the transparency of the Steering Committee;		Request the autor to elaborate on the proposal		UN and ICSC	
(d)	Look at the various levels of inflation and re-examine the trigger point for special measures;				UN	
(e)	Transform the LSSC into a standing committee which would monitor remuneration levels, keep track of indices, and maintain contact with employers;				UNISERV to provide further details	
(f)	Streamline the job matching for salary surveys into three categories i.e. general support (G-1 to G-3) process oriented delivery (G-4 to G-5) and service delivery (G-6 to G-7);				UNISERV to provide further details	

	Decision of the Working Group	Explanation/comments	Activity	Status	Assigned to	Deadline	
(g)	Maintain a list of employers considered to be among the best etc;	the Working Group to have enough time to consider the documentation provided, work should be prioritized. It would thus like to suggest that the WG group focus primarily on the other Options at this stage. At the same time, the secretariat will request the authors of the proposals under this Option to submit additional details of their proposals. The secretariat will then consolidate then and report to the WG accordingly. * While many of the items under this Options may be rendered moot should a different approach be selected to data collection, the highlighted items will still need to be consid		Pending	FICSA	9-Jan-09	
(h)	Recategorize non-headquarters duty stations based on economic indicators, and add category for crisis duty stations (possibility of developing support tools that could be applied to crisis duty stations);				UN and ICSC secretarait		
(i)	Explore ways of enhancing job matching, for example, instead of the current grade by grade procedure of job matching, explore matching by occupation using a floor and ceiling for the salaries;		Request the autor to elaborate on the proposal		UNISERV to provide further details		
(j)	Collect information related to non-headquarters duty stations on survey experience during the last round of surveys including steering committee reports, ratio of employers invited/surveyed/retained, public/private retention breakdown by country, problem areas by country				UN		
(k)	For headquarters duty stations study/simulate the effects of concentrating the survey on three to five employers falling around the 75th percentile for the majority of jobs, based on previous experience; identify such clusters if possible;				FICSA, ICSC secretarait		
(l)	Explore ways of enhancing job retention criteria.				FICSA		
Proposed activities							
(1)	Review the text of the current methodology to reflect the amendments needed to ensure more flexibility in the implementation of the methodology and to address the different problems that were encountered during this round of surveys;				ICSC secretariat / UN		
(2)	Determine for each duty station, a list of employers considered to be the best in terms of remuneration packages; review the last two survey results to see if those employers were also surveyed and retained;				UN & ICSC secretarait		
(3)	Explore various alternative criteria (i.e, economic and country development indicators) to be used for the re-categorization of non-headquarters;				FISCA & UN		
(4)	Explore the possibility when available, to apply the current procedure used for data collection in non-headquarters (minimum/maximum salaries) to the headquarters methodology (average salaries).				ICSC		

	Decision of the Working Group	Explanation/comments	Activity	Status	Assigned to	Deadline
OPTION 6						
Organize non-headquarters surveys on a regional basis						
Discarded by the Working Group						
OPTION 7						
Study the feasibility of ICSC conducting surveys at all headquarters and non-headquarters locations						
			Item to be discussed between ICSC secretariat and UN	Pending	UN & ICSC secretariat	26-Jan-09
OPTION 8						
Consider using external data as a residual tool in case the required amount of employers is not found						
		This is a combination of the present methodology and Option 1. Responses to RFI should provide information on this issue.	Covered by the FRI (see Option 1 (b) to (e) above)	Pending: work to start after receipt of	ICSC secretariat	12 Dec 2008 - for response to RFI
OPTION 9						
Consider other issues raised in the documentation presented at the first working group meeting						