



Chief Executives Board for Coordination

8 June 2007

English only

Conclusions of the High-level Committee on Management at the thirteenth session

(Rome, 19 and 20 March 2007)

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I. Introduction

1. The High-level Committee on Management (HCLM) held its thirteenth regular session in Frascati, Rome on 19 and 20 March 2007. The meeting was chaired in alternate sessions by the Committee Chairperson, the United Nations Population Fund (UNFPA) Executive Director, Thoraya Obaid, and by the Vice-Chairman, World Health Organization Assistant Director-General and Representative of the Director-General, Denis Aitken. For the third time, HLCM was meeting at the same time and venue as the High-level Committee on Programmes (HLCP), and a joint session with HLCP was held on 20 March.

II. Adoption of the agenda

2. Opening the session, the Chair welcomed the new members of the Committee. The complete list of participants is provided in annex I to the present report.
3. The agenda as adopted by the Committee is provided in annex II to the present report.
4. All documents related to the session, including the programme of work, are available on the United Nations System Chief Executives Board for Coordination website at <https://hlcm.unsystemceb.org/documents/200703/>.

III. Dialogue with representatives of the Federation of International Civil Servants' Associations and the Coordinating Committee for International Staff Unions and Associations of the United Nations System

5. In accordance with established practice, the Committee conducted an exchange of views with the representatives of the Federation of International Civil Servants' Associations (FICSA) and the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA). FICSA was represented by Maria Dweggah and by Mauro Pace; CCISUA was represented by Rick Cottam. The statements of the representatives of FICSA and CCISUA are provided in annex III.
6. The discussion that followed focused mainly on the areas of staff and management relations, security and safety of staff, the HLCM proposal in the area of business practices, the United Nations Joint Staff Pension Fund and training of staff representatives.
7. The satisfaction expressed by the representatives of FICSA and CCISUA on the consultative process and outcome of the special Staff-Management Coordination Committee in January 2007 was unanimously supported by the Committee. According to CCISUA, staff representation and management interaction has turned the corner over the past year. A level of engagement has been reached by both parties that provides for meaningful dialogue where management and the staff representatives can work collaboratively to a consensus on issues that affect the staff and the managers alike. The United Nations reiterated the importance of working

together to develop stronger, common positions, not only with Member States, but also with the International Civil Service Commission.

8. In this respect, both the Committee and the Associations underlined that a better understanding of the role and responsibilities of the staff representatives, as well as training in the skills and tools needed to perform this function, were a critical requirement in ensuring smooth and effective staff-management relations.

9. Both FICSA and CCISUA had participated fully and actively in the Inter-Agency Security Management Network meeting in Rome, and expressed appreciation for this opportunity to participate as a valued partner in the debate and policy discussion of the Department of Safety and Security and the Inter-Agency Security Management Network. The Department of Safety and Security acknowledged the contribution of the staff associations to the discussion on safety and security and reiterated the critical importance of addressing the security issues concerning national staff. Also, the Department of Safety and Security strongly affirmed that outsourcing security and safety services in the field would be impossible and unaffordable.

10. The concerns expressed by staff associations in connection with the recent discussion on the United Nations Joint Staff Pension Fund investment policy, in particular the new Fund investment policy concerning the North America portfolio, were addressed by the United Nations Under-Secretary-General for Management. She clarified that, notwithstanding the endorsement by the Fifth Committee of the indexation of the portfolio, any action on the matter was suspended until the results of the asset liability management study currently being prepared were made available and evaluated. She also informed that the staffing of the investment committee had not yet been completed.

11. With respect to the HLCM document on business practices (CEB/2007/HLCM/3), the staff representatives expressed their appreciation for any proposal that would achieve the goals of harmonization and coherence, simplification, results — or performance-based management, results-based budgeting, consistency in performance evaluation systems, accountability, transparency and oversight. However, the choice should be one of upward movement and the lowest common denominator should not prevail.

12. The staff representatives also requested that any inter-agency effort towards improved system-wide coherence be carried out in full consultation with the staff.

13. Several organizations expressed the wish that FICSA and CCISUA consider the possibility of joining forces again in the near future. The staff associations informed that a working group had been established to study the matter appropriately.

14. The HLCM Chair informed the Committee that the United Nations Development Programme/United Nations Population Fund/United Nations Office for Project Services thirty-third Staff Council had formally requested to be invited to the sessions of the Committee. The request would be duly considered on the basis of the criteria for staff representation established by the former Administrative Committee on Coordination and Consultative Committee on Administrative Questions.

Conclusions and action points

15. The Secretary of HLCM would conduct a debriefing with FICSA and CCISUA representatives after the meeting.

IV. High-level Committee on Management proposal on business practices

16. The Director of the CEB secretariat presented a proposal (CEB/2007/HLCM/3) outlining the possible content and modalities of an HLCM-driven, system-wide response to the recommendations of the note of the Secretary-General, entitled "Delivering as one" (A/61/583), in the area of business practices.

17. The proposal represented a first step for an in-depth, broad review of the programme of work of the Committee. Its aim was to identify areas with potential for coordinated action by the organizations of the United Nations system, to design an acceptable process to carry out such action and to ensure appropriate support and funding for any agreed plan.

18. The document under review presented items grouped into six subject areas:

- (a) Cross-cutting general management;
- (b) Accountability and oversight;
- (c) Data warehouses;
- (d) Human resources management;
- (e) Financial management;
- (f) Knowledge-sharing.

19. Individual proposals belonging to each category were synoptically outlined in annex I to document CEB/2007/HLCM/3, which provided indications of actions already taken at the inter-agency level in each of the areas referred to.

20. The Chair underlined that the review of the proposal would have to be inspired by the principle that business practices reforms should aim to make the United Nations system more effective and efficient at fulfilling its mandate in terms of programmes, technical advice, standard-setting, etc. Any discussion on business practices should not be uncoupled from the issue of the substantive work and rationale of United Nations organizations. A harmonized business process should not focus narrowly on financial savings to the detriment of the specific substantive and operational requirements of United Nations organizations.

21. In order to inform the discussion with the latest developments on the recommendations of the High-level Panel, the Director of the CEB secretariat read a letter from the Group of 77 and China dated 15 March 2007 addressed to the Secretary-General (which suggested that any process aiming at achieving coherence of the United Nations system should be inclusive and take into account previous recommendations made by the internal and external oversight bodies and already endorsed by the General Assembly).

22. The Committee acknowledged the letter and noted that, to a great extent, management reforms did not require intergovernmental discussion, remaining within the purview of the executive heads.

23. Through its spokesperson, the Human Resources Network offered a first, very detailed analysis of the proposal, which had been thoroughly discussed at its last meeting of 14-16 March. The full text of the Human Resources Network comments is available in annex IV.

24. The Human Resources Network fully endorsed the objective of greater coherence, and emphasized that harmonization was not about aligning along or at the lowest common denominator but about finding a good, balanced solution acceptable to all. Action towards this end would have to be inspired by the following key objectives:

(a) Restoring competitiveness and making the work environment more conducive to attracting and retaining qualified staff;

(b) Ensuring that human resources practices and systems support and promote a results-based culture, good management and team-based approaches;

(c) Enhancing staff well-being;

(d) Building trust by ensuring cohesiveness and harmonization of policies and processes;

(e) Finding means to share knowledge and build better networks and promote communities of practices;

(f) Promoting and enhancing staff mobility (inter-agency, geographical and functional).

25. Updating and harmonizing human resource policies and practices remained a top priority objective for the Human Resources Network, an overriding one that would inspire and direct the current and future work of the Human Resources Network.

26. These comments were followed by numerous interventions by Committee members offering support for the proposal, identifying priorities among the broad range of items under review and indicating alternative options for a concrete, realistic process to follow up on the proposal in a way that was feasible and within the governance and funding constraints of the organizations.

27. As the recent adoption of International Public Sector Accounting Standards proved, harmonization was difficult but not impossible. It required a strong mandate by top management, clear business logic and demonstrated benefits when compared to alternative, non-system-wide approaches. Harmonization must, in the first place, make good business sense, and allow for a corresponding substitution or reduction of costs to be derived by individual organizations.

28. Consensus emerged on the need to immediately set the high-level priorities and time frames for the items initially listed in annex I to document CEB/2007/HLCM/3, including whether they could be characterized as ongoing activities in no need of additional investment, potential quick wins, long-term objectives or low-priorities. The result of such efforts at prioritization is outlined in table 1 below, where each item has been given a priority rating ranging from high to

low. There was a common understanding that, given the limited time available at the meeting, the ratings summarized in table 1 represented only an initial attempt at assigning priorities to a list of items that might be in need of further consideration and refinement at a later stage.

29. One item not originally included in the business practices proposal was a review of the International Civil Service Commission. There was consensus on the fact that the Committee should develop its own position on the matter and submit it to the CEB before any discussion took place at the intergovernmental level.

30. The United Nations also noted that the increasing weight of peacekeeping, peacebuilding and political missions in the overall activities of the United Nations Secretariat would have a considerable impact on the direction and implementation of management reform in the United Nations system. The Committee was encouraged to include this factor in its future discussions.

Table 1
Prioritized list of items for the development of the programme of work of the High-level Committee on Management

<i>Item</i>	<i>Priority</i>
Cross-cutting management issues	
Enterprise resource planning	M
Common services	O
Common payroll (disbursement function)	L
Internationally recognized standards	M
Security management system	H
Governance and accountability	
Results-based management	M
Evaluation mechanisms and performance measures	M
Risk management; fraud and corruption prevention; internal control	H
Harmonization of audit ratings	L
Data warehouses	
United Nations system-wide statistics	H
Financial resources tracking system in inter-agency operations	L
Emergency personnel rosters	L
Human resources management	
Common performance evaluation system, entitlements and contracts	O
Staff mobility	H
Spouse employment	M
Senior Management Network	H
Financial management	
System-wide training on International Public Sector Accounting Standards	H
Budget implications with International Public Sector Accounting Standards	M
Harmonization of financial rules and regulations	H

<i>Item</i>	<i>Priority</i>
Knowledge-sharing	
United Nations system portal	H
Definition of a common United Nations-system classification	M
Publishing of United Nations-system web-based content	M
United Nations system google map	M
One United Nations google earth layer	M

Key: O = ongoing H = quick wins, high priority M = longer term, medium priority
L = low priority

Conclusions and action points

31. The Committee, supported by its Networks, would develop a detailed, sequenced and costed plan of action for implementation, based on document CEB/2007/HLCM/3 and on the indicative priorities and areas of interest identified above. The plan of action would be incorporated into the HLCM programme of work, and would include detailed terms of reference outlining the scope, objectives, timeline and resources that each project entails.

32. A steering committee supported by the CEB secretariat, led by the HLCM Vice-Chair (WHO) and composed of the organizations whose representatives currently chaired the HLCM Networks (the United Nations, the International Atomic Energy Agency, the United Nations Educational, Scientific and Cultural Organization and the World Food Programme) would drive the development of such a plan of action, to be submitted to the Committee for approval at its fourteenth session in the fourth quarter of 2007.

33. The HLCM Chair would report on the conclusions of the Committee at the forthcoming meeting of the CEB on 20 and 21 April 2007. This would allow advance build-up of the necessary support to the proposal by the donor community and by the organizations themselves, in preparation for specific funding requests upon approval of individual projects.

V. Collaboration between the High-level Committee on Management and United Nations Development Group Management Group

34. The HLCM Chair recalled that a briefing by the Chair of the United Nations Development Group Management Group was a standing item on the agenda of the Committee, whose objective was to identify possible areas of cooperation and avoid duplication of work.

35. The Chair underlined that the current discussion on business practices, the recent intense activity of the United Nations Development Group in connection with the One United Nations Programme and the ongoing review of the CEB would certainly have a significant impact on the forthcoming discussion on the relationship between the United Nations Development Group and the HLCM.

36. The United Nations Children's Fund Deputy Executive Director was invited to replace the Chair of the United Nations Development Group Management Group to provide an update on the work of the Management Group. He informed the Committee that it had been agreed at the 12 February 2007 Management Group meeting that the main focus of the work of the Management Group in 2007 would be to provide support to the eight One United Nations pilots. All Management Group working groups had been requested to revise and align their 2007 workplan accordingly and to take the work of HLCM and its Networks fully into account. In 2007, the following working groups were in existence under the Management Group: common premises, information and communications technology, audit, multi-donor trust funds, financial policies, procurement, resident coordinator issues group and joint office.

37. On the issue of the One United Nations pilots, the Committee was informed that a two-day joint retreat of the United Nations Development Group Programme and Management Groups had taken place on 30 and 31 January 2007. The pilots had been discussed on other occasions since then, including during the Global Regional Directors' Meeting of UNDP, UNICEF, UNFPA, and WFP on 5 March 2007, where a number of other United Nations system organizations had also been present. It was expected that a steering committee for the One United Nations pilots with a mix of members from the funds and programmes and specialized agencies would be formally established after the April CEB meeting.

38. In the ensuing discussion, concerns were raised regarding possible overlap between HLCM and the United Nations Development Group Management Group. The need for United Nations Development Group tasking memorandums to be redefined in view of the newly emerged priority was emphasized.

39. Moreover, recommendations were made to carry out a formal transfer to HLCM of issues no longer within the purview of the United Nations Development Group, and to reach a clear definition of the roles and responsibilities of the two bodies.

40. A note containing information on United Nations Development Group structure and workplan as of 14 March 2007 was circulated to all participants. It was available as annex V to this report.

Conclusions and action points

41. The Committee thanked United Nations Development Group Management Group for the briefing and expressed appreciation for the intensified dialogue between the United Nations Development Group and HLCM.

42. The Committee also reaffirmed the conclusion reached at its last session, that the United Nations Development Group and HLCM programmes of work and corresponding responsibilities would have to be urgently re-examined in the light of actions affecting inter-agency structures that may be taken in the process of follow-up to the outcome of the High-level Panel on System-wide Coherence, including the review of the CEB and the launching of the One United Nations pilots.

VI. Relationship between the Inter-Agency Procurement Working Group and the High-level Committee on Management

43. The Vice-Chair recalled that at its last session, HLCM had recognized the increasing importance and complexity of management and coordination issues related to procurement and, more broadly, to the supply chain.

44. He further recalled that, in stressing the need for appropriate, extensive consultation on any proposals on that subject, the Committee had requested further inter-agency discussions in the area, in particular through the Inter-Agency Procurement Working Group (IAPWG), had encouraged interested parties to carry out further study and was looking forward to receiving updates, including a report back from IAPWG.

45. He then invited the Chairman of IAPWG to present the proposal outlined in document CEB/2007/HLCM/4, which contained a recommendation that IAPWG be designated as the new procurement network of HLCM, along the lines of the current networks for human resources, information, communication and technology, and finance and budget.

46. The proposal was welcomed by the Committee, as it was in line with the current efforts towards harmonization and coherence across the United Nations system and responded to the increasing importance of procurement for the United Nations system.

Conclusions and action points

47. The Committee agreed to designate Inter-Agency Procurement Working Group as the new procurement network of HLCM, and to rename it HLCM Procurement Network. United Nations Development Programme/Inter-Agency Procurement Services Office would continue to serve the Network as its secretariat.

48. The Procurement Network would report to the Committee regularly, following the model already in place for the other HLCM networks. That meant it would provide a short briefing on recent Network activities and refer to the Committee any issues in need of further endorsement or approval.

49. The Committee further asked the newly established Procurement Network to finalize its programme of work, which should include a review of the modalities for automatic suspension of suppliers upon suspension by one of the network members, and to present it at the next session of HLCM.

50. The Committee also decided to include the subject of procurement in its plan of action (business practices proposal) and to review the functioning and achievements of the Procurement Network in three years.

VII. Security and safety of staff

51. The Chair gave the floor to the United Nations Under-Secretary-General for Safety and Security for a briefing on the general security environment within which the staff of the United Nations system was currently operating and on the recent

accomplishments of the United Nations Department for Safety and Security and the future challenges facing it.

52. Among its accomplishments, the Department for Safety and Security listed significant progress in staffing the Department, the introduction of advanced training for all United Nations staff in security phase locations, the strengthening of a valuable alliance with the United Nations System Staff College to ensure the inclusion of security at the earliest stage of country programme planning, increased engagement with host countries and support to designated officials.

53. Some critical challenges still remained, such as maintaining momentum and achieving balanced focus on staff security, bridging the significant gaps in service provision (safety, crisis management and emergency reinforcement) and addressing the need for greater engagement with Member States.

54. The Department for Safety and Security informed the Committee that a debriefing regarding the Canal Hotel bombing was being prepared for the survivors and families of the victims. These two groups would be the first to receive it.

55. Significant growth in demand for security services was foreseeable, namely in the Middle East and in East and North Africa, as well as in demand for expanded operations in Afghanistan and possibly in the Central African Republic, Chad, Somalia and the Sudan.

56. The Department for Safety and Security thanked the technical working group, Inter-Agency Security Management Network members and HLCM for their important, continued support for United Nations security development.

57. The Committee then considered a report (CEB/2007/HLCM/5) by the technical working group on cost-sharing arrangements for the United Nations Security Management System, which was established by HLCM at its videoconference meeting of 22 November 2006, to review the current cost-sharing formula pertaining to the United Nations Security Management System, with a view to ensuring that it is fair, transparent and based on objective parameters.

58. The HLCM Chair commended the working group and its Chair for completing their work within very strict deadlines.

59. The report of the working group, as outlined by its Chair, included some recommendations on the function, value and funding mechanisms of the Security Management System, as well as a proposal for two alternative options to apportion Department for Safety and Security of the United Nations Secretariat Headquarters field-related costs for 2008-2009 (15 per cent of total costs).

60. The World Bank recalled the history of its participation in the United Nations Security Management System and stressed the fact that most of the security and safety services which the Bank used were paid for out of its own budget, with limited value contributed by the United Nations Security Management System itself.

61. Nevertheless, the Bank reaffirmed its continuing support for the United Nations Security Management System and thanked the Committee for its efforts to find an agreement on the cost-sharing arrangements. In doing so, the Bank presented a third option in addition to the two already outlined in the report of the working group for the apportionment of Department for Safety and Security Headquarters field-related costs. This option called for a review of the work of the Department for

Safety and Security Division of Regional Operations, with a view to ascertaining the percentage of time spent by Headquarters on providing direct operational support to field offices. In this regard, reference was made to paragraphs 32 and 33 of the report of the Secretary-General (A/56/469) that set out the principles for the cost-sharing arrangements for the United Nations Security Management System.

62. Some organizations underscored the fact that the Department for Safety and Security performance for 2006 indicated considerable unspent balances over the biennium 2006-2007, due mainly to delays in filling vacant posts (for Field Security Officers). It was stressed that any unspent funds within the 2006-2007 budget should be used only for the purposes already approved by the Inter-Agency Security Management Network and HLCM in accordance with the original Department for Safety and Security working plan, with the balance returned to organizations at the end of the biennium.

Conclusions and action points

63. After intense discussion, the Committee decided to endorse the recommendations contained in paragraphs 6 (a), (b), (c), (e) and (g) of document CEB/2007/HLCM/5, with some minor modifications, as follows:

6 (a) The HLCM would reaffirm that security was a necessary cost that needed to be funded sustainably and that this cost should be regularly reviewed by the Committee to ensure that the essential aspects of security are not minimized and that an adequate security continues to be provided to United Nations staff;

6 (b) The census should be replaced by headcounts provided by the appropriate agency headquarters, based on the most accurate information available as at the end of the calendar year preceding the budget submission for the following biennium, excluding staff on travel or mission for less than three months, and following the other criteria set out in paragraphs 17 and 20 of CEB/2007/HLCM/5;

6 (c) Department for Safety and Security of the United Nations Secretariat field costs for 2008-2009 (85 per cent of total costs) should be apportioned by headcount, i.e., on the basis of the percentage of actual staff in the field;

6 (e) Implementation of the agreed changes should be applied in a uniform manner to all participants in the Security Management System;

6 (g) HLCM would decide to move forward with a more comprehensive, all-encompassing project to address significant issues remaining outside the mandate of the current review of the cost-sharing formula (including alternate sources of funding and mainstreaming) for the 2010-2011 biennium.

64. The Committee agreed that option 2 (equal distribution by agency) for the Department for Safety and Security of the United Nations Secretariat portion of field-related costs was not feasible and decided to allow some limited additional time for bilateral discussions between the United Nations and the Department for Safety and Security (supported by the United Nations and the Department of Management) and the World Bank to find an agreement on the apportionment of the Department for Safety and Security Headquarters portion of field-related costs, within the parameters already established by HLCM and the definition of direct operational support by Headquarters to field offices endorsed by the General

Assembly, with a view to concluding such discussions at the forthcoming CEB meeting of 20 and 21 April 2007.

VIII. Information and communications technology issues

65. At its videoconference of 22 November 2006, the HLCM welcomed a presentation by the Information and Communications Technology Network on a proposal to study the value of common services, focusing on data centres and common global telecommunications.

66. The Committee concurred in principle with the proposal and agreed to proceed in utilizing funding from organizations committed to the project. Also, it had asked the Information and Communications Technology Network to provide additional detail within the proposal, with an emphasis on timeliness and specific usage of requested funding. The detailed proposal should also include the structure and modalities of a governance mechanism to oversee the project.

67. The Vice-Chair invited Mr. David Benfield, representing the Information and Communications Technology Network, to present the detailed proposal for the two studies as outlined in document CEB/2007/HLCM/6, and to provide a briefing on the recent activities of the Network.

68. For the study on data communications, UNICEF had agreed to take the lead and was currently arranging the related procurement procedures; the CEB secretariat was working with the United Nations Procurement Division for the data centre study.

69. Contribution commitments received from eight organizations amounted to \$140,000. Some organizations, while expressing support in principle, had requested additional information before making a commitment. Document CEB/2007/HLCM/6 was intended to address such requests.

70. Obtaining formal financial commitments from organizations was critical to start the procurement process for the two studies.

71. Other issues on the Information and Communications Technology Network agenda included a closer working relationship with the United Nations Development Group working group on information and communications technology. The Chairs of the two groups met recently in New York and agreed that the Chair of the United Nations Development Group working group would attend the next meeting of the Information and Communications Technology Network. Through this collaboration, the two groups would seek to eliminate duplications and achieve greater synergy between their tasks, with the United Nations Development Group working group concentrating on information and communications technology issues that have an impact at the country level.

Conclusions and action points

72. The Committee thanked the Information and Communications Technology Network for the progress made and approved the project proposals as outlined in document CEB/2007/HLCM/6.

73. The Committee encouraged all organizations to formalize their pledges for the two studies on the basis of the normal apportionment criteria used for HLCM projects.

IX. Finance and budget issues

74. The Vice-Chair noted with pleasure that the adoption of International Public Sector Accounting Standards by the United Nations system was a highly recognized project of an inter-agency nature, recently cited as an example of good coordination among the organizations of the United Nations system by the High-level Panel on System-wide Coherence.

75. He further recalled that HLCM, at its twelfth session, had requested the task force on accounting standards to keep the Committee informed on the progress of work and on all developments with this critical project.

76. He then invited the spokesperson of the Finance and Budget Network and Chairman of the task force on accounting standards to present a progress report on the accounting standards project (CEB/2007/HLCM/7).

77. Progress in this project was most evident in the two areas of (a) accounting policies and guidance and (b) communication. These two areas were closely related. The significant increase in communication outreach supported increased activity and involvement in accounting policies and the development of guidance process through the introduction of focus groups and, most recently, increased interactions with auditors.

78. Since the beginning of August 2006, the project team had developed 19 separate papers covering accounting policies, recommended practices and guidance relating to proforma financial statements, revenue, expenses, property, plant and equipment, inventories, intangible assets, employee benefits and the use of transition periods.

79. There had been a substantial increase in communication activities due to a correspondingly large increase in staff and other parties, for example auditors, involved in accounting standards issues during this period. The website with International Public Sector Accounting Standards adoption information had been kept up to date and had been further expanded.

80. Since the previous progress report, the main progress made by the system-wide team in implementation support had to do with support for accounting standards training, and consideration of the implications of International Public Sector Accounting Standards for budget practices.

81. Three organizations, the International Civil Aviation Organization, the World Food Programme and the World Health Organization, planned to adopt International Public Sector Accounting Standards effective 1 January 2008.¹ Accounting policy issues identified by early adopters had been given the highest priority in developing

¹ As of July 2006, three additional organizations were investigating this option. Since then those three organizations, UNDP, UNFPA and UNOPS, have decided to progressively adopt IPSAS within the United Nations Stand-by Arrangements System framework, but not fully adopt IPSAS until 2010.

the accounting policy workplan. In addition, this plan had been accelerated to ensure that all possible efforts were being made to finalize policies by August 2007, thereby supporting early adopters.

82. Part 2 of document CEB/2007/HLCM/7 summarized International Public Sector Accounting Standards adoption progress across United Nations System organizations and provided information on issues arising from the adoption of the accounting standards. A brief discussion of budget usage and team capacity was also provided in the progress report.

Conclusions and action points

83. The Committee noted the progress report with appreciation and invited the task force on accounting standards and the International Public Sector Accounting Standards project team to report again to HLCM at its next session.

X. Human resources issues

84. Speaking in her capacity as Human Resources Network spokesperson, the representative of UNESCO (Dyane Dufresne-Klaus) briefed the Committee on the recent conclusions of the Network regular session of 14-16 March.

85. In addition to the specific discussion on the HLCM business practices proposal (see sect. III above) and on the Senior Management Network (see sect. XI below), the Network had focused on the following key issues:

(a) Harmonization of policies of entitlements, with particular reference to termination and separation packages, contractual arrangements and entitlements for staff in field missions (non-family duty stations);

(b) General Service job evaluation was a common initiative undertaken by the International Civil Service Commission and the Human Resources Network, aimed at developing a single job evaluation and classification standard for General Service staff within the United Nations;

(c) The Joint Inspection Unit report on age structure had been discussed by the Network, in particular the recommendations of the Joint Inspection Unit report on age structure in the organizations of the United Nations system. Members had agreed that each organization should have the flexibility to determine the right age structure, in relation of its mandate. In the next 5 to 10 years, most organizations would be losing a high number of staff at the P-5 and above levels. Hence, the importance of succession planning.

(d) United Nations dual career and staff mobility were issues which caused the Network to seek HLCM support for the Local Expatriate Spouse Associations in order to make this initiative more inclusive (a possible cost-shared project). It sought to obtain a greater commitment from the resident coordinators to establish Local Expatriate Spouse Associations in their countries of assignment; and establish a Local Expatriate Spouse Association at Headquarters. The Human Resources Network agreed to harmonize spouse employment policies throughout the United Nations system and to prepare a proposal for the next meeting of HLCM.

Conclusions and action points

86. The Committee noted with appreciation the extensive work carried out by the Network and endorsed its substantive priorities.

XI. Confidentiality of internal audit reports

87. At its ninth session, held in April 2005, the HLCM had concluded that internal audit reports were an important management tool for executive heads and should therefore remain confidential (CEB/2005/3 — paragraph 22(a)).

88. The Committee noted that some organizations had this year been requested by a few Member States, during formal sessions of their governing bodies and subsequently in writing, to share internal audit reports.

89. The Committee also noted that the report of the Office of Internal Oversight Services on the audit and investigative reviews of the tsunami relief operations conducted by the United Nations Secretariat, funds, programmes and specialized agencies (A/61/669) referred explicitly to the inability of the Office of Internal Oversight Services to finalize the report because the funds and programmes and specialized agencies stated they could not share their internal audit reports, which were restricted to their respective management and governing bodies in accordance with their mandates.

90. The Committee also considered an informal note on the discussion on the subject in the Fifth Committee of the General Assembly (CEB/2007/HLCM/XIII/CRP.1).

91. Several organizations noted that they still strongly believed in the management nature of internal audit reports. Internal audit reports represented, according to this view, an enormous support for management in addressing those very issues that Member States themselves were so eager to solve (mismanagement, fraud, etc).

92. However, many participants recognized that, in the overall context of enhancing accountability and transparency, organizations needed to examine this issue carefully and to come up with an appropriate common position which would allow for some form of disclosure.

93. In various statements, organizations (United Nations Development Programme, UNICEF, FAO) outlined some possible ways to address the requests of Member States within the limits of pre-determined criteria, such as, for example: consideration of sensitivity issues in connection with investigations and the rights of individuals concerned in the reports; the possibility of excluding the management-related suggestions from the reports, making them instead part of the evaluation reports, and the possibility of sharing summary versions of the internal audit reports, a practice already in use by many organizations.

94. It was also noted that it was critical to reaffirm the fact that the Office of Internal Oversight Services was not the inspector-general of the United Nations system. Also, it would be helpful to define clearly the line of demarcation between the United Nations, the funds and programmes, and the specialized agencies, with respect to the authority of the internal audit function.

Conclusions and action points

95. HLCM decided that the Finance and Budget Network, in consultation with the heads of internal oversight of member organizations, as well as with their external auditors and with the Institute of Internal Auditors, should prepare a position paper on behalf of HLCM as a document to support the discussion of this item by executive heads at the upcoming CEB meeting of 20 and 21 April 2007. Any new position on such issues should not be applied retroactively to past reports.

96. HLCM would electronically review the output from the Finance and Budget Network prior to consideration by CEB.

XII. Senior Management Network

97. The Chair recalled that the Senior Management Network was approved by CEB in 2004 and had already received formal endorsement by HLCM. She emphasized that this project belonged to all, and that it was now ready to start.

98. The Chair then invited the representative of UNESCO, in her capacity as Human Resources Network spokesperson, to brief the Committee on the status and next steps of the Senior Management Network.

99. The spokesperson recalled that the Senior Management Network comprises four elements: a set of core competencies; a system-wide programme for leadership development; networking tools to provide a communications channel and global management forums as a means of bringing members of the Network together for knowledge-sharing.

100. She then recalled the rationale behind the development of the initiative and the fact that it was intended to:

- (a) Build up a corporate culture at the managerial level across the United Nations system;
- (b) Enhance inter-agency coordination and mobility;
- (c) Promote inter-agency learning.

101. CEB had approved the creation of the Senior Management Network and had also agreed that the CEB machinery would be responsible for supporting its establishment, guided by the Human Resources Network on behalf of CEB and HLCM.

102. Among the main issues to be noted by the Committee were the following:

(a) The Senior Management Network membership would consist of approximately 600 to 1,000 senior staff. Executive heads would be responsible for the selection (typically D-1 and above). Membership would be defined by functions and roles rather than by grades. It was expected that the Secretary-General would approach executive heads and ask them to identify potential members within their organizations. Certain selection criteria would be provided;

(b) Networking tools would provide a communications channel, serve as the portal to resource materials on management and leadership, provide the virtual learning environment for participants in the leadership development programme and help facilitate the global management forums. This component of the Senior

Management Network required urgent funding to develop the electronic platform for such a tool (funding requirement \$170,000 one time only);

(c) Global management forums would be a means of bringing together members of the Network for knowledge-sharing and building esprit de corps across the system, including an annual conference for senior leaders as well as periodic events on a thematic level to discuss cross-functional and interdisciplinary issues (funding requirement \$70,000 annually);

(d) Establishment of a Senior Management Network project manager position, possibly based in Geneva within the offices of the CEB secretariat, to report to HLCM through the secretary of HLCM. He or she would work closely with the CEB webmaster and the United Nations System Staff College coordinator of the leadership development programme, to coordinate and manage the Senior Management Network (funding requirement \$320,000 annually, including support and travel costs);

(e) Development of a comprehensive communication strategy.

103. The Human Resources Network spokesperson underlined the fact that a number of components urgently needed to be funded for the Senior Management Network to become a reality and to allow the network tools and the leadership development programme to proceed.

104. The HLCM Chair then invited the director of the United Nations System Staff College to provide a briefing on the current developments and status of the other important element of the Senior Management Network, the leadership development programme.

105. The director of the United Nations System Staff College explained that the Erasmus Rotterdam School of Management (RSM) had been selected, upon the recommendation of an HLCM-sponsored inter-agency committee, to design the leadership development programme. It had been contracted by the United Nations System Staff College, which was working closely with the Erasmus Rotterdam School of Management on the design and development of the programme. Inquiry missions by the school and the United Nations System Staff College had taken place in New York, Rome, Geneva, Turin, Paris and Nairobi in the last quarter of 2006 and the first quarter of 2007.

106. The overall design of the leadership development programme was almost complete. Contractual arrangements for the development and delivery would now commence. A prerequisite for the programme to begin would be the identification of the Senior Management Network membership and, ideally, the development of the networking tools and the holding of the first forum to launch the Network.

107. The United Nations System Staff College was covering, from voluntary funds from external donors, the costs of design and development of the leadership development programme. This amounted to some \$200,000 and \$700,000, respectively. As from the end of 2007, agencies would be expected to contribute to the participation of their staff. It was estimated at this stage that the cost for the agency contribution would be between \$10,000 and \$12,000 per participant. For costs exceeding these estimates, the United Nations System Staff College would seek external donor funding.

108. The Committee welcomed the progress reports with enthusiasm. Several speakers noted that the Senior Management Network was a very ambitious project that needed strong support by top management in order to be launched successfully. The Assistant Secretary-General for Human Resources of the United Nations encouraged organizations' representatives to ensure that their executive heads expressed commitment and support to this project at the forthcoming CEB meeting of 20 and 21 April 2007.

109. Particular appreciation was expressed for the inter-agency nature of the leadership development programme and for its multi-location approach.

110. Some suggestions were made regarding the need to cater to the bilingual needs of participants, to link this effort to the resident coordinator assessment and to attach critical importance to the development of a comprehensive communication strategy to ensure internal buy-in by each organization.

111. Many comments focused on the funding requirements of the Senior Management Network project overall, as well as on the expected cost per participant in the leadership development programme. It was unanimously suggested that the budgetary constraints of organizations be duly taken into consideration in determining the expected number of participants in the first phase of the programme. Also, it was suggested that a detailed cost plan for the overall Senior Management Network be submitted to the Committee for approval.

Conclusions and action points

112. The Committee fully endorsed the launching of the Senior Management Network and its leadership development programme. The United Nations System Staff College could proceed with the development and delivery stages with the Erasmus Rotterdam School of Management and its consortium.

113. The Committee would expect a request from the Secretary-General to executive heads asking them to nominate members of the Senior Management Network.

114. The United Nations System Staff College, in coordination with the CEB secretariat, would develop a detailed cost plan for the whole Senior Management Network and its individual components, for inclusion in the business practices proposal and for approval by the Committee.

XIII. Observations of the panel of external auditors on the tsunami

115. In its report P/47/06/1, the panel of external auditors presented a number of observations and recommendations on the intervention of the United Nations, its funds, programmes and specialized agencies in the aftermath of the tsunami of 26 December 2004 in the Indian Ocean.

116. The report would be distributed to the executive heads of CEB members by the panel of external auditors. It was therefore requested that HLCM consider the observations and recommendations included in the report at its session during the second quarter of 2007.

Conclusions and action points

117. The Committee took note of the report of the panel, particularly the observations and recommendations contained in paragraphs 5 through 24, and noted that some of them had already been taken into consideration in the development of the business practices proposal outlined in document CEB/2007/HLCM/3, while some others had been referred to other inter-agency forums, as appropriate.

118. The Committee requested its members to bring the report of the panel to the attention of their executive heads in preparation for the upcoming CEB meeting of 20 and 21 April 2007.

XIV. World Bank financial management framework agreement

119. The Chair invited the Committee to consider a note prepared by UNICEF (available as annex VI to this report) which outlined the need expressed by many member organizations to carry out a joint effort to develop a financial management framework agreement with the World Bank to be subscribed to by all interested organizations.

120. UNICEF explained that 11 United Nations bodies (WHO, ILO, FAO, UNESCO, WFP, UNDP, UNICEF, UNFPA, UNHCR, UN-HABITAT and UNOPS) were jointly negotiating an agreement with the World Bank on the operational and administrative issues that arise when they receive funding from the World Bank or spend funds provided by the World Bank to others (such as International Development Association credits to borrower Governments), building on the strengths of the March 2006 financial management framework agreement, signed by the United Nations Under-Secretary-General for Management and the World Bank Vice-President for Operations Policy and Country Services (with FAO as an original signatory as well).

121. The March 2006 agreement had been adopted by many United Nations organizations. Outstanding issues included such elements as procurement rules, reporting, disbursement requirements and requests from the World Bank in connection with its anti-corruption initiative.

Conclusions and action points

122. The Committee acknowledged the significant progress already made with respect to this matter, thanks to the March 2006 agreement, developed under the leadership of the United Nations Assistant Secretary-General, Controller.

123. The Committee further agreed that a working group should be established under the guidance of the Finance and Budget Network to lead a joint effort to develop a new financial management framework agreement with the World Bank to be subscribed to by all interested organizations.

XV. Malicious Acts Insurance Policy

124. The Chair invited the United Nations to present a note (available as annex VII to this report) outlining the criteria, conditions and benefits applicable to the

Malicious Acts Insurance Policy currently subscribed to by a vast number of United Nations organizations and administered by the United Nations.

125. The United Nations explained that over the years, some participants have chosen to withdraw from the programme and establish separate policies. These included WFP, WHO and, effective 1 January 2007, UNHCR. Some of the reasons cited were lower risk profiles, compliance with common security procedures and concerns about sharing common policy limits.

126. The Malicious Acts Insurance Policy is an example of cooperation among United Nations system organizations which takes advantage of economies of scale and synergies to achieve cost efficiencies for all participants. The United Nations system as a whole has materially stronger market power in negotiating the programme.

Conclusions and action points

127. The Committee, recognizing the validity of the reasons that may have induced some member organizations to withdraw from the Malicious Acts Insurance Policy common programme, agreed that it would be desirable and in line with the current efforts towards increased harmonization and coherence, to establish a working group of interested organizations to discuss the possibility, should a strong business case be demonstrated, of stipulating a single, system-wide policy as from the next insurance cycle.

XVI. After-Service Health Insurance

128. The United Nations informed the Committee that the General Assembly had already endorsed recognition of After-Service Health Insurance liabilities in Organization financial statements, which was in line with International Public Sector Accounting Standards requirements.

129. The main issue was, nevertheless, the funding of such liabilities. In a recent report submitted to the General Assembly, the United Nations had proposed to start accruing for past and future liabilities through an 8 per cent charge on staff costs.

130. The Fifth Committee of the General Assembly was currently examining the proposal, which was supported by a number of additional arguments of a legal nature, as well as by the relevant comments provided by the International Civil Service Commission.

131. The Fifth Committee had already made some comments on the proposal, including one on the possibility of creating a United Nations system-wide investment pool for the resources related to After-Service Health Insurance.

Conclusions and action points

132. With due consideration of the fact that organizations are in different positions with respect to the funding of their After-Service Health Insurance liabilities, including some that have full funding of such liabilities, and that the issue of After-Service Health Insurance is of extreme importance both for its major financial implications and for its relevance as a United Nations staff entitlement, the Committee recommended that a joint working group of the Financial and Budget

and the Human Resources Networks be established to guide the discussion on the subject in a coordinated manner.

XVII. System-wide coherence in the provision of legal services

133. The HLCM Chair informed the Committee that, in a letter of 15 March 2007, the legal counsel, Under-Secretary-General for Legal Affairs, had addressed to the Under-Secretary-General, United Nations for Management, a request to explore ways for the institutional improvement of the link between the networks of (a) the legal advisers of the United Nations system and (b) the legal liaison officers and HLCM.

134. The legal counsel explained in his letter that the objective of the meetings of the networks as well as the e-mail exchanges and discussion forums in between meetings was to keep one another better informed and to achieve more coherence in providing legal advice throughout the United Nations system. Of course, this was done with full respect for the various mandates and competencies of the participants of the networks.

Conclusions and action points

135. The Committee responded positively to the request of the networks of (a) the legal advisers of the United Nations system and of (b) the legal liaison officers to become a formal network under the auspices of HLCM, on the condition that only one network be established, bringing together the two groups.

136. The new network would report to the Committee regularly, following the model already in place for the other HLCM Networks, i.e., providing a short briefing on recent network activities and referring to the Committee any issues in need of further endorsement or approval.

137. HLCM further asked the network which is to be established to update the Committee on progress on this matter at its next session, and to present a draft programme of work for its consideration.

XVIII. Other business

High-level Committee on Management cost-shared activities

138. The Committee recommended that the CEB secretariat prepare a list of all HLCM cost-shared activities, including the amounts subject to cost-sharing and the criteria used to apportion such costs among organizations.

Documentation for the High-level Committee on Management sessions

139. The Committee heard suggestions by several organizations that more strict criteria be established to submit documents for consideration and discussion by HLCM at its sessions. Such criteria should include both a limit on the length of each document and a deadline for the submission of the documents for circulation prior to meetings.

140. Such comments met with wide support within the Committee. In particular, it was underlined that compliance with similar self-imposed criteria would greatly facilitate work of the Committee in carrying out its mandate which, as per its terms of reference, included acting on behalf of and in the name of CEB on matters affecting the administrative management of all member organizations and taking decisions on behalf of the Executive Heads (see terms of reference as proposed by Consultative Committee on Administrative Questions High-level in 2004 (ACC/2000/CCAQ-HL/6) and endorsed by CEB (ACC/2000/20, para. 36)).

141. The Committee therefore asked the CEB secretariat to draft a document on procedures and criteria for the preparation of agendas and submission of documents for consideration and discussion by HLCM at its sessions and to submit this proposal to the Committee for approval before its next session.

Dates and venue for the next session

142. The dates and venue for the next session of the Committee would be determined shortly, after the dates of the fall session of CEB were known and upon consultation with HLCM regarding the possibility of again holding a joint session of the two Committees.

143. Any proposed date would be the result of careful consideration of the need to avoid overlapping with meetings of the governing bodies of organizations.

144. It was proposed that the next meeting be held in either New York or Geneva.

Staffing of the CEB secretariat

145. The director of the CEB secretariat informed the Committee that the interviews for the Human Resources Network adviser position would take place shortly, and confirmed that the recruitment would be completed through an inter-agency process. The recruitment panel for this position included WHO (Chair), FAO, UNESCO, the United Nations, and the CEB secretariat.

146. The post of HLCM secretary would be left open until after the finalization of the CEB review. This selection would also go through an inter-agency process.

Annex I

List of participants

Chairperson: Thoraya Obaid (United Nations Population Fund)
Vice-Chair: Denis Aitken (World Health Organization)
(Acting) Secretary: Remo Lalli (Chief Executives Board for Coordination secretariat)

United Nations

Alicía Barcena Ibarra (Under-Secretary-General, Department of Management)
David Veness (Under-Secretary-General, Department of Safety and Security)
Jan Beagle (Assistant Secretary-General, Office of Human Resources Management)
Jay Karia (Director, Accounts Division)
Anne Marie Pinou (Special Assistant to the Under-Secretary-General for Safety and Security of Staff)

Food and Agriculture Organization of the United Nations

Khalid Mehboob (Assistant Director-General, Administration and Finance)
David Benfield (Director, Information Systems and Technology Division)

United Nations Educational, Scientific and Cultural Organization

Amine Khene (Assistant Director-General for Administration)
Dyane Dufresne-Klaus (Director, Bureau of Human Resources Management)
Yolande Valle (Director, Bureau of Budget)

World Health Organization

Denis Aitken (Assistant Director-General, Representative of the Director-General)
Namita Pradhan (Assistant Director-General, General Management)
Susan Holck (Director, General Management)

World Bank

Robert V. Pulley (Director, General Services Department)
Peter Gallant (Chief, Corporate Security)

International Monetary Fund

Frank Harnischfeger (Director, Technology and General Services Department)

Universal Postal Union

Michael Mauer (Director, Human Resources)

International Telecommunication Union

Max-Henri Cadet (Head, External Affairs)

International Maritime Organization

Andrew Winbow (Director, Administrative Division)

World Intellectual Property Organization

Carlos Mazal (Senior Counsellor)

International Fund for Agricultural Development

Jessie Rose Mabutas (Assistant President, Finance and Administration Department)

United Nations Industrial Development Organization

Jang-Won Suh (Managing Director, Programme Support and General Management Division)

Amita Misra (Director, Financial Services Branch, Division of Administration)

World Tourism Organization

Peter Shackleford (Director, Administration Division)

International Atomic Energy Agency

David Waller (Deputy Director-General and Head of Management)

United Nations Conference on Trade and Development

Oluseye Oduyemi (Director, Division of Management)

United Nations Development Programme

Akiko Yuge (Assistant Secretary-General and Director of Bureau of Management)

Thomas Eriksson (Chief of Staff, a.i., Bureau of Management)

Saraswathi Menon (Director of the Evaluation Office)

United Nations Relief and Works Agency for Palestine Refugees in the Near East

Cornelia Moussa (Director, Human Resources)

United Nations Children's Fund

Toshiyuki Niwa (Deputy Executive Director)

Bernt Aasen (Special Adviser, Office of Emergency Programmes)

United Nations Population Fund

Thoraya Obaid (Executive Director)

Subhash K. Gupta (Director, Division for Management Services)

Klaus Beck (Special Assistant to the Deputy Executive Director (Management))

United Nations Office at Vienna/United Nations Office on Drugs and Crime

Franz Baumann (Deputy Director-General, United Nations Office at Vienna and Director for Management, United Nations Office on Drugs and Crime)

World Food Programme

Suresh Sharma (Director, Change Management Division)

Andrew Lukach (Director, Management Services and Security Focal Point)

Joint United Nations Programme on HIV/AIDS

Deborah Landey (Deputy Executive Director)

International Trade Centre

Eva K. Murray (Director, Division of Programme Support)

United Nations Office for Project Services

Vitaly Vanshelboim (Deputy Executive Director)

United Nations System Staff College

Staffan de Mistura (Director)

Paolo Ceratto (Deputy Director, Administration and Management)

Inter-Agency Procurement Working Group

David Smith (Chair of the Inter-Agency Procurement Working Group)

Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization

John Sequeira (Director, Division of Administration)

Coordinating Committee for International Staff Unions and Associations of the United Nations System

Rick Cottam (President, United Nations International Criminal Tribunal for the Former Yugoslavia Staff Union)

Federation of International Civil Servants' Associations

Maria Dweggah (General Secretary)

Mauro Pace (Member for compensation issues and social security)

Chief Executives Board for Coordination secretariat

Adnan Z. Amin, Director

Remo Lalli, Acting Secretary, HLCM

Guest speaker

Elizabeth Davis, Director of Human Resources, Department for International Development

Annex II

Agenda

1. Adoption of the agenda (CEB/2007/HLCM/1/Rev.1) and programme of work (CEB/2007/HLCM/2/Rev.1).
2. Dialogue with Federation of International Civil Servants' Associations and Coordinating Committee for International Staff Unions and Associations of the United Nations System.
3. Business practices — proposal for a follow-up by the HLCM on the recommendations of the Report of the Secretary-General's High-level Panel on United Nations System-wide Coherence (A/61/583; CEB/2007/HLCM/3).
4. Collaboration between the High-level Committee on Management and the United Nations Development Group Management Group.
5. Relationship between the Inter-Agency Procurement Working Group and the High-level Committee on Management (CEB/2007/HLCM/4).
6. Security and safety of staff (CEB/2007/HLCM/5).
7. Reports of the High-level Committee on Management Networks:
 - (a) Information and communication technology issues (CEB/2007/HLCM/6);
 - (b) Finance and budget issues (CEB/2007/HLCM/7);
 - (c) Human resource issues.
8. Other business:
 - (a) Confidentiality of internal audit reports;
 - (b) Senior Management Network (CEB/2007/HLCM/8);
 - (c) Observations and recommendations of the Panel of external auditors on the intervention of the United Nations, its funds, programmes and specialized agencies in the aftermath of the tsunami in the Indian Ocean of 26 December 2004 (P/47/06/1);
 - (d) World Bank: Financial management framework agreement;
 - (e) After-Service Health Insurance and Malicious Acts Insurance Policy;
 - (f) System-wide coherence in the provision of legal services;
 - (g) Dates and venue for the fourteenth session of HLCM.

Annex III

Joint statements by representatives of the Federation of International Civil Servants' Associations and the Coordinating Committee for International Staff Unions and Associations of the United Nations System

Introduction^a

1. A few days ago, the President of the Federation of International Civil Servants' Associations (FICSA), in consultation with our colleagues in the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA), sent a letter to Ms. Obaid, Chair of the HLCM, requesting our participation in your discussion on agenda item 3, "Delivering as one". We appreciate your consideration and the opportunity to bring to your attention what we, as staff representatives, see as key issues. We welcome a dialogue to follow our remarks.

2. Before entering into the specifics of the document, we give the floor to our colleague, Rick Cottam from CCISUA, who will speak on matters of concern to both of our Federations: the safety and security of staff, following the Inter-Agency Security Management Network meeting in Rome earlier this month in which both FICSA and CCISUA fully and actively participated; the outcome of the Staff Management Coordination Committee meeting recently held in Nairobi on the internal system of justice; and staff-management relations. The intervention by Rick will be followed by that of Mauro Pace, one of our experts on social security issues.

Statement by CCISUA^b

3. We believe that staff representation and management interaction has turned the corner over the past year. A level of engagement has been demonstrated by both parties that provides for meaningful dialogue whereby management and the staff representatives can work collaboratively towards a consensus on issues that affect the staff and the managers alike. This does not mean that we have no disagreements, divergent views or opinions, on the contrary. But when issues arise, they are debated in a professional manner, a case is made and presented and counterarguments are tabled. Consensus is reached and these agreements are forwarded to the Secretary-General.

4. What I have just described is not an excerpt from an industrial relations manual, it is the way both parties worked at the special SMCC, in January. At this special SMCC both parties came to the table with differing opinions on the expert panel on the redesign of the internal system of justice. However, we left united with a report that both signed up to and believed in. There are some critics who have made their opinions known to the staff representatives who attended. We the staff representatives had to make tough choices, as did the management. The thousands of staff who serve the United Nations in all corners of the globe and who relied on our representation at SMCC will deliver the ultimate judgment on the agreements reached.

^a Presented by Maria Dweggah (FICSA).

^b Presented by Rick Cottam (CCISUA).

5. The internal system of justice is a critical element in any workplace, wherever the workplace is located and whatever its role. Be it delivering humanitarian aid in the field or drafting reports in a headquarters duty station, the judicial requirements and needs for every organization are alike. We look to you, the membership of HLCM, to embrace change along with us.

6. We would like to raise with you the subject of staff-management relations. The changes that have been already seen and realized must be encouraged and strengthened by all. We have jointly commissioned a working group of Office of Human Resources Management and staff representatives to investigate accredited training opportunities for elected staff representatives and report back to the next SMCC with proposals on how such training can be implemented. We believe that this is essential for the staff bodies and for the management.

7. A better understanding of the role and responsibilities and training in the skills and tools needed to perform this function is not going to hinder the management. It is proven that it has exactly the opposite effect and managers where this is practiced find it assists in good staff-management relations and results in a massive increase in the level of real terms representation afforded to the staff.

The Coordinating Committee for International Staff Unions and Associations of the United Nations System recently attended the Inter-Agency Security Management Network along with our colleagues from the Federation of International Civil Servants' Associations. I am happy to report that our opinions and questions were welcomed by the Department of Safety and Security and the membership and, as we have reported previously, we feel that we are a valued partner in the debate and policy discussions.

8. Security is the most important subject that any union official can be called upon to discuss when representing staff. Policies that are not tried, tested and proven can have serious ramifications if implemented. Our trust in the work of the Department of Safety and Security is extremely high, as it is in the work of the Inter-Agency Security Management Network.

9. There are policies and recommendations being designed and promulgated by both the Department of Safety and Security and the Inter-Agency Security management Network, who are the experts in keeping the staff safe and secure and who allow staff to carry out their work in the most dangerous places in the world. However, we are seriously concerned regarding constant mention of the issue of funding.

10. Many times over the years, the Member States have reaffirmed that the staff is the greatest asset of the organization. We concur with the findings and welcome these statements. However, these statements must be backed up with the necessary funding to IASMN and DSS policies to keep our staff from harm while they implement the will of the international community.

11. We are seeing in the news that more and more United Nations staff members are being attacked, United Nations offices stormed and the days when the blue United Nations flag provided sanctuary are, sadly, gone. When the United Nations is targeted, it is important, as we have stated before at HLCM and other forums, for us all to remember that bullets, rioting mobs and improvised explosive devices do not discriminate between international and local staff serving the United Nations. Thus, we ask that a policy be implemented that provides safe haven for all local staff. We

would not like to see images of a war-torn region where some United Nations staff board buses and escape, while other United Nations staff must stay behind.

12. There are exploratory talks on the use of private companies to provide security for our staff. CCISUA is totally opposed to outsourcing of security and safety services in any form. The calibre and standard of our United Nations security is extremely high and comes with expert field and institutional knowledge which is essential to the delivery of our unique and challenging mandates.

13. We are hopeful that the Member States will recognize that security and safety is not an appropriate field in which to attempt pilot outsourcing programmes as, sadly, the cost, should the pilot fail, would not be monetary alone.

We remember that, indeed, we are all staff together.

Pension matters^c

14. As you know, an open discussion on pension matters was held at the twelfth session of HLCM this past September.

15. Unfortunately, we have to report that the concerns voiced at the time of the fifty-third session of the United Nations Joint Staff Pension Board, held last July in Nairobi, remain valid. In the meantime, we have witnessed charges and reports from various quarters regarding the dangers and intentions of the Fund's new investment policy in regard to the North America portfolio. We regret that some of these reports, particularly those appearing in the press, seem intent on unsettling the participants and the beneficiaries of the Fund and do not always provide accurate information.

16. The social relevance of pensions and the magnitude of the sums invested by the Fund (worth \$36.4 billion as at the end of 2006) attract the attention of the media. The Federation of International Civil Servants' Associations and the Coordinating Committee for International Staff Unions and Associations of the United Nations System are firmly convinced that management and staff should make all possible efforts to minimize the risk of bad publicity which might result in the presentation of the United Nations as an allegedly corrupt system.

17. In this respect, we echo and strongly support the statements recently made by Bernard G. Cochéme, CEO of the United Nations Joint Staff Pension Fund, that prudence should be exercised in any procurement action and that the Fund should better document its procurement procedures.

18. This is particularly true right now, when the controversial outsourcing for passive management of the North America portfolio (worth \$9 billion) is going ahead, despite opposition expressed by representatives of the participants and the retirees at the last meeting of the Pension Board in Nairobi. This was the subject of a briefing by us at the previous session of the HLCM in September 2006.

19. We still believe that the prudent policy would be to suspend immediately any action to index the portfolio and discuss the issue again in a special session of the Pension Board addressing investment issues within the framework of the Asset Liability Management study currently being prepared.

^c Presented by Mauro Pace (FICSA).

20. We firmly reiterate that every effort should be made to re-establish the climate of trust and communication that is essential to good governance and the harmonious functioning of the United Nations Pension Fund, without having to resort to divisive votes to resolve issues in the absence of consensus.

“Delivering as one”: Secretary-General’s high-level plan on United Nations system-wide coherence^d

21. The Federation of International Civil Servants’ Associations and the Coordinating Committee for International Staff Unions and Associations of the United Nations System recognize the need for a more effective United Nations country presence with improved performance. It cannot but agree with the business practices outlined in the document that would achieve this goal: harmonization and coherence, simplification, results- and performance-based management, results-based budgeting, consistency in performance evaluation systems, accountability, transparency and oversight. However, the choice should be one of upward movement and should not be reduced to the lowest common denominator. We both recognize that there are organizations that are making great efforts to implement fair human resources policies, simplify staff rules and regulations, apply result-based management principles and approaches and champion best practices. These organizations should be emulated.

22. The Federation of International Civil Servants’ Associations and the Coordinating Committee for International Staff Unions and Associations of the United Nations System note that though there has been extensive consultation in the preparation of this document dedicated to improving the performance of the United Nations, there is no mention of the consultation process with staff representatives, nor is the role of the staff representative bodies in the achievement of this goal delineated, especially as the implementation of the proposed reforms promises to involve significant challenges and sometimes the sacrifice of individual interests for the United Nations agencies, funds and programmes.

Harmonization and coherence

23. FICSA and CCISUA welcome harmonization and coherence, especially as they apply to equal treatment of staff of all United Nations organizations in matters such as contract reform, security, justice, staff representation and entitlements. There are organizations that are responsibly regularizing those staff on temporary contracts but there are others who seem to be increasing the non-staff contracts, contrary to the spirit of contract reform which has been proposed by the International Civil Service Commission.

24. FICSA and CCISUA welcome harmonization and coherence of staff representation across the United Nations system, especially for our colleagues in the field, who, far from Headquarters and at times in remote field offices and under the supervision of empowered authorities, are the most vulnerable and the most neglected. This issue that was discussed at our recent FICSA Council in Vienna.

25. Today, FICSA and CCISUA are finding themselves representing staff hired under more and more diverse conditions. In addition, the increasingly temporary nature of contracts does not lend itself to creating interest in staff representation

^d Presented by Maria Dweggah (FICSA).

bodies and activities. In short, staff no longer have the same sense of belonging to the organization. A staff member may work for one organization but have a contract from another. This is especially the case in the field offices.

26. With regard to the right to staff representation and freedom of association, an enormous problem is posed by the fact that a large number of our colleagues in the field find themselves without representation by any one staff association or union, or represented in name only, with minimal support. Local staff bodies or individuals, regardless of what contracts they hold, have the right of representation as to their colleagues in Headquarters. They have a right to affiliate themselves with the staff association or union of their choice. With increasing decentralization and outsourcing and inshoring, the issues of representation and if the resources needed to ensure all staff are represented becomes acute.

27. Both representative bodies would like to explore with the administrations the implications of the foregoing. The Federation of International Civil Servants' Associations is conducting an internal review, but feels the organizations have an important role to play in ensuring that staff representatives at every level have the resources they need. We are very concerned as to how the changes and developments will affect staff representation and how staff representatives can play a constructive role. We note that throughout the document there is reference to a wide consultation process, however, no mention is made of how staff representatives would be involved in the process.

28. FICSA and CCISUA propose that the CEB secretariat conduct a United Nations system-wide survey to determine how staff are represented in the field. We would further suggest that a referendum be eventually organized to allow staff bodies in all field duty stations to affiliate with the staff representative body of their choice.

Performance, not seniority

29. FICSA and CCISUA agree that performance should be the key to preparing staff for a positions of greater responsibility, providing of course that there is a credible and proven efficient performance evaluation system. However, seniority should not be so easily dismissed. Our primary goal is to preserve the career international civil service. While we appreciate such demands on the United Nations as enhanced mobility and changes in work assignments, we must not lose sight of the crucial need for continuity of programmes and retention of expertise. Associated with this is the preservation of loyalty, independence and integrity of the international civil service.

Leadership development programme

30. Much has been said and written about managerial accountability or the lack thereof in the United Nations common system. We hope that leadership training will lead to more effective management of change and contribute to a common management culture. Managers at all levels should be trained, and training should not be limited to those in executive positions: staff in the General Service category, for example, are often required to supervise other staff and therefore leadership training would be beneficial for them as well. In essence, FICSA and CCISUA support all efforts to improve managerial skills across the system.

31. However, what is far more important is how these skills are put into practice, and how and by whom they are evaluated once the managers return to their respective positions. Training managers would not be sufficient to strengthen accountability unless appropriate follow-up action is taken.

Annex IV

Recommendations of the Human Resources Network on the proposals outlining the possible content and modalities of a High-level Committee on Management-driven response to the recommendations of the “Delivering as one” report in the area of business practices

A. Key messages from the Human Resources Network to the High-level Committee on Management

1. The Human Resources Network:

(a) Fully endorses the objective for a greater coherence;

(b) Fully supports the harmonization process which is essential to “Deliver as one”. The Network has already been very active in the harmonization process for some time. It realizes that harmonizing human resource practices may require the sacrifice of some sacred cows. It emphasizes that harmonization is not about aligning at the lowest common denominator but about finding the right, balanced solution agreeable to all;

(c) The Human Resources Network will take a leadership role in key human resource-related areas. It is committed to finding quality, comprehensive and cost-effective proposals, and to seizing this key opportunity to make decisive progress in bringing about good human resource practices in the United Nations;

(d) The Human Resources Network will work in an inclusive and collaborative way together with various Networks (such as Finance and Budget and Information Technology) in the many areas of common interest;

(e) The Human Resources Network stresses the need to address governance issues at the level of CEB, and for a comprehensive review of the International Civil Service Commission.

B. Key objectives

2. The Human Resources Network identified the following key objectives that will drive its action in the implementation of the High-level Panel recommendations:

(a) Restoring competitiveness and making the work environment more appealing to attract and retain qualified staff;

(b) Ensuring that human resource practices and systems support and promote a results-based culture, good management and team-based approaches;

(c) Enhancing staff well-being;

(d) Building trust by ensuring cohesiveness and harmonization of policies and processes;

(e) Finding means to share knowledge, build better networks and promote communities of practices;

(f) Promoting and enhancing staff mobility (inter-agency, geographical and functional).

C. Drivers of coherence: priority areas for the Human Resources Network

3. The main human resources recommendation in the report is that human resources policies and practices should be updated and harmonized. In the past few years, significant work has been done by the Human Resources Network and various United Nations agencies to update, streamline and harmonize practices. This will remain a top priority objective for the Human Resources Network, and an overriding one that will inspire and direct the current and future work of the Human Resources Network.

4. The Human Resources Network reviewed the human resources-related recommendations in the business practices area and identified a number of priority areas to address harmonization, as set out below.

1. Harmonization of rules and regulations:

5. Harmonization is a requirement for the implementation of common services in areas such as payroll.

(a) Contracts: Agencies are urged to move faster to adapt their contractual arrangements to the common International Civil Service Commission framework to ensure competitiveness;

(b) Recruitment and promotion: A review of recruitment and promotion policies and practices will need to take place;

(c) Entitlements: Much work has already been done in the framework of the International Civil Service Commission pay and benefits review. Work will continue to complete the review of all entitlements;

(d) Administration of justice: Agencies have varied staff rules and processes in this area. The Network will determine if these can be harmonized to a greater extent;

(e) Performance evaluation systems: The report indicates that the systems across the United Nations are not seniority-based. The Network will develop common guiding principles for performance evaluation systems in the United Nations system. The Network will review the practices, processes and implementation across the system and identify tools that can be used by agencies to implement the common principles. We recognize that performance evaluation must be clearly linked to results-based management, programme planning and accountability framework. A review of the way United Nations agencies reward high performers and sanction poor performers must also be undertaken.

2. Compensation

6. The Human Resources Network should manage the conduct of a Noblemaire equivalency study under the CEB umbrella.

3. Mobility

7. To promote the concept and understanding of One United Nations, inter-agency mobility must be encouraged and must work. The challenge is to break down barriers between agencies. Harmonization of human resources policies and practices is a key support to mobility. The consideration of United Nations applicants as internal applicants needs to be supported. General guidelines to staff on how to move from one agency to another should be developed. Harmonization of medical plans is a long-standing issue which should be reviewed by HLCM.

4. Spouse employment

8. Efforts should focus on encouraging host countries to change their legal provisions to allow spouses to obtain work permits (host country agreements to be reviewed, in the field by the resident coordinator).

5. Knowledge sharing

9. The Human Resources Network should assume a clearing-house role. It should identify and put in place the best ways to share knowledge, good practices and updates on what is happening in agencies in the area of reform. Also, the proposals under knowledge management need human resources input.

6. Data collection

10. The Human Resources Network should be in position to collect and provide reliable, detailed human resources data and information from United Nations agencies. A common database of key non-confidential personnel information could be established.

7. Training and development

11. The Human Resources Network supports the recommendations for a fundamental overhaul of staff training and career development programmes to ensure that, at all levels of the system, staff serving the United Nations are motivated and have the appropriate professional skills. To that effect, the Human Resources Network supports the proposals put forward by HLCM. It stresses the need to ensure commitment at the senior or top level of each agency and to agree on a governance mechanism for the Senior Management Network and the leadership development programme as well as on funding requirements.

8. Other business practices areas of direct interest to the Human Resources Network

12. **Enterprise resource planning.** Given the significant human resources implications of Enterprise resource planning systems, the Human Resources Network needs to be involved in that area. It should be stressed that human resources departments are the owners of the human resources component of Enterprise resource planning agencies using the same Enterprise resource planning systems should be in close contact to ensure concerted action when making adjustments to their systems following changes in human resources procedures and practices.

13. **Common services.** There is a need for concerted action when agencies are off-shoring services, to ensure harmonization of locations, particularly for those which have the same Enterprise resource planning systems. Common services will require harmonization of staff regulations and staff rules.

14. **Standards.** There is a need to make an inventory of what standards exist or are being introduced, notably on the code of ethics, and to consider the development of other standards, such as standards on data protection.

9. Next steps: prerequisites

15. Based on the HLCM feedback, the Human Resources Network will prepare a workplan, with actions, outputs and time frames. For this purpose, the Network will require:

- (a) Commitment at the top level of the organizations;
- (b) Resource bases (staff time and funding) to work on the proposals;
- (c) Close interaction with other networks, as these are system-wide issues.

Annex V

United Nations Development Group structure and workplan

14 March 2007

United Nations Development Group

1. The United Nations Development Group is an instrument for United Nations reform, created by the Secretary-General in 1997 to improve the effectiveness of United Nations development at the country level. The Development Group brings together all operational United Nations agencies working on development. The Group is chaired by the administrator of United Nations Development Programme on behalf of the Secretary-General. There are two bodies within the Group, the Executive Committee, and the full United Nations Development Group.

2. The United Nations Development Group Executive Committee consists of the four development funds and programmes that report directly to the Secretary-General: UNICEF, UNFPA, WFP and UNDP. The Executive Committee is a management mechanism to pursue the further integration of the funds and programmes.

3. The full United Nations Development Group aims at consultation and coordination among its 28 members,² and five observers, and it includes specialized agencies which do not come under the authority of the Secretary-General. The full United Nations Development Group meets at least twice yearly to decide on issues related to country-level coordination to achieve the MD/Millennium Development Goals. The full United Nations Development Group is too cumbersome for fast, effective decision-making, and members rarely suggest agenda items. In 2006, the United Nations Development Group agreed to work through smaller groups open to all members, focusing for a period of time on specific topics.

4. In addition to the United Nations Development Group and United Nations Development Group Executive Committee, there are four standing committees of the Group that work on United Nations Development Group directives. These are open to all members of the full United Nations Development Group and they provide a very important forum for developing cross-system agreements on working together. Sub-groups are formed for specific tasks, but should be closed down when the task is completed.

United Nations Development Group support group

5. The United Nations Development Group support group sets the United Nations Development Group agenda and prepares for meetings of the principals. It assigns tasks to the Programme Group and Management Group for execution and manages linkage with the Chief Executive Board.

² UNDP, UNFPA, UNICEF, WFP, UNIFEM, UNOPS, UNAIDS, UN-Habitat, UNODC, WHO, Department of Economic and Social Affairs, OHCHR, IFAD, UNCTAD, UNESCO, FAO, UNIDO, ILO, Department of Public Information, OHRLS, UNEP, UNHCR, WMO, ITU, Office of the Special Adviser on Africa, Special Representative of the Secretary-General for Children and Armed Conflict, regional commissions; observers: UNFIP, World Bank, Office for the Coordination of Humanitarian Affairs, Spokesman of the Secretary-General, Office of the Deputy Secretary-General.

Programme Group

6. The Programme Group includes all members of the full United Nations Development Group and addresses issues of programme policy. It conducts its business through a series of task-specific working groups to develop new policies or tools. The Programme Group also manages linkages with the High-level Committee on Programmes.

Management Group

7. The Management Group is open to all members of the United Nations Development Group, but agencies with little or no field presence do not attend. It addresses policies and tools for resource management at country level, such as United Nations House, common services, harmonized financial regulations and joint office pilot and resident coordinator issues, and works through working groups that are task-specific and time-bound. The Management Group also manages linkages with the High-level Committee on Management.

Country programme support group

8. The Country programme support group approves and monitors strategies for the implementation of new systems, tools and approaches to ensure that they have the desired impact. It also addresses practical problems that the regional directors teams have not solved, such as disagreements between agencies on changes in the programme cycle of a country, or timing of the submission of a country's United Nations Development Assistance Framework to the executive boards.

Joint office — One United Nations working group

9. From 2004-2006, there was a sub-group of the Management Group that provided operational guidance for the development of the joint office initiative, open to all agencies participating in the joint office initiative mandated by the 2001 triennial Comprehensive Policy Review. In January 2007, at a Management Group/Programme Group retreat on the One United Nations initiative, it was recommended that a wider group should be constituted to provide operational guidance to the One United Nations pilots. The United Nations Development Group Chair has written to the members proposing the establishment of such a group, but it has been agreed to delay this until the April CEB meeting, when both the One United Nations pilot and the CEB review will be discussed.

2007 Workplan priorities

Overall objective: Continued follow-up to United Nations Development Group priorities agreed in 2006.

One new objective for 2007: Support to the One United Nations pilot initiative

Policy work on One programme, and One budget framework carried out by the Programme Group. Policy work on One leader carried out by resident coordinator Issues group (sub-group of the Management Group). Policy work on One office, harmonized business practices and pooled funding to be carried out by the Management Group. All One United Nations issues will be included

in the 2007 workplans for these groups. One United Nations operational support group to be established to replace joint office working group. Action proposed, but, at request of members, held pending outcome of April CEB discussion on the One United Nations pilot and the CEB review. Action: Programme Group, Management Group.

- **Increased national ownership and programme coherence at the country level for reaching Millennium Declaration/Millennium Development Goals**

Revised Common Country Assessment/UNDAF introduced to simplify programming processes; involvement of agencies with no country representation increased. Action: United Nations Development Group Programme Group.

- **Strengthened resident coordinator system**

Resident coordinator accountability framework introduced; resident coordinator and United Nations country team performance appraisal and assessment implemented globally; guidance and support to the coordination function at country level provided. Action: resident coordinator issues group under Management Group.

- **Future simplification and harmonization of United Nations rules, procedures and presence**

Inter-agency efforts to harmonize core business processes facilitated, including finance, procurement and human resources. Action: United Nations Development Group Management Group, in liason with HLCM.

- **Funding of operational activities for the development of the United Nations system**

United Nations Development Group agreement on country cooperation development funds established and effectively managed; forum for agreements on Multi-donor trust funds established and fully operational. Action: United Nations Development Group Management Group.

- **Effective United Nations role in transition from relief to development**

United Nations Development Group-Executive Committee on Humanitarian Affairs transition toolkit developed and resource people trained; policy dialogue and partnerships created with key actors (including the World Bank) to ensure integrated approaches to coordination (assessment and planning) in countries. Action: United Nations Development Group/Executive Committee on Humanitarian Affairs working group.

- **United Nations Development Group mechanism streamlined**

Rationalization of the United Nations Development Group mechanisms to be continued. Held pending outcome of CEB review. Action: United Nations Development Group support group.

Annex VI

Umbrella agreement on operational and administrative issues between United Nations Organizations and the World Bank

1. Eleven United Nations organizations are negotiating an agreement with the World Bank on the operational and administrative issues that arise when they receive funding from the World Bank or spend funds provided by the World Bank to others (such as International Development Association credits to borrower Governments), building on the strengths of the March 2006 Financial management framework agreement signed by the Under-Secretary-General for Management and the World Bank Vice-President for Operations and Country Services (with FAO as an original signatory as well) which addresses some of the relevant financial issues. It has already been adopted in an earlier form by many United Nations organizations. Outstanding issues include procurement rules, reporting, disbursement requirements and requests from the World Bank in connection with its anti-corruption initiative.

2. The 11 organizations participating in the negotiations are WHO, ILO, FAO, UNESCO, WFP, UNDP, UNICEF, UNFPA, UNHCR, UN-HABITAT and UNOPS. The negotiations are being conducted by lawyers from the United Nations organizations, working as a team. The United Nations Office of Legal Affairs is a member of the team. UNICEF is chairing the United Nations group. The United Nations and World Bank teams hope to conclude the negotiations by the second or third quarter of 2007.

3. The World Bank has asked that this new umbrella agreement cover all United Nations system organizations. UNICEF supports this and believes the negotiations need to proceed in a transparent and participatory manner. The High-level Committee on Management is an appropriate mechanism for securing system-wide ownership of this initiative.

4. UNICEF therefore proposes that HLCM express its support for this initiative and ask that the counsels at the other United Nations organizations join the United Nations legal team presently negotiating with the World Bank. The chair of HLCM would be a focal point for the negotiations, as needed, on the understanding that all members of the United Nations legal team will keep their managements fully briefed.

5. HLCM members may wish to know that last week a small group from the United Nations and World Bank teams met in Washington. The United Nations team has proposed a simple agreement that would allow United Nations organizations to apply their own rules and procedures when receiving funds from the World Bank (or spending funds provided by the Bank to others), with the caveat that the recipient organization may need to take limited additional, specified, measures so the World Bank can discharge its core fiduciary duties. Without committing to that yet, the World Bank team is prepared to explore it.

6. HLCM members may also wish to know that the World Bank Board has expressed great interest in this initiative and supports it. It has asked to be kept briefed on the discussions.

Toshiyuki, Niwa
Deputy Executive Director, Operations
United Nations Children's Fund
16 March 2007

Annex VII

Malicious Acts Insurance Policy

Note by the United Nations

1. Malicious Acts Insurance Policy coverage applies on a 24-hour basis, worldwide, in respect of death or permanent disability (including permanent disability from post-traumatic stress disorder) caused directly or indirectly by war or a malicious act. Generally, it is a condition precedent under the policy that the insured person was in compliance with the insured's prevailing security guidelines and procedures (established by Department of Safety and Security). The policy covers staff members and categories such as consultants and external auditors, as may be designated by participating organizations. The policy limit per any one event is generally \$50 million, except for Geneva and New York, where higher limits apply. The upper limit is \$500,000 per person.

2. A number of policy improvements have been achieved since 1 November 2004, as result of which, policy rates have materially decreased and coverage has been extended to additional staff members. Most notable among these improvements are the following:

(a) Broker commission reduction from 25 per cent to 10 per cent of policy premium;

(b) Low-claims bonus for 2006 and 2007;

(c) Coverage for travel aboard military aircraft in Iraq;

(d) Worldwide coverage including in headquarters countries as of 1 January 2006;

(e) Inclusion of post-traumatic stress disorder benefit as of 1 January 2006;

(f) Coverage of medical expenses as of 1 January 2006 (up to 10 per cent of the benefit for death, permanent total disablement, subject to the overall maximum coverage per person);

(g) Increase in policy limits and excess policy for New York as from 1 January 2006 (for total coverage of \$100 million in Geneva and \$150 million in New York);

(h) Profit-sharing arrangement as from 1 January 2006 (insurers are to return to the participating organizations 20 per cent of any net profit that they will realize in excess of a broker commission, claims, expenses and deficits);

(i) Introduction of a \$1.5 million deductible as from 1 January 2007 (with an aggregate annual deductible of \$1.5 million policy premium decreased over \$2.8 million compared to the expiring programme. The cost of \$4.845 million per annum was quoted for the 2006 population of about 108,000, guaranteed for three years, unless the underlying exposure is to increase by more than 50 per cent. Actual premium for 2007 will be \$4.375 million and there will be a savings of \$3.3 million, due to a reduction in covered population compared to 2006).

3. The following problems and issues need to be addressed by participants:

(a) Withdrawal of organizations from Malicious Acts Insurance Policy. Over the years, some participants have chosen to withdraw from the programme and establish separate policies. These include WFP, WHO and, effective 1 January 2007, UNHCR. Some of the reasons cited were lower risk profiles, compliance with common security procedures, and concerns about sharing common policy limits. Withdrawals from the common programme and establishing of separate programmes are not in the common interest in the following ways:

(i) Available Malicious Acts Insurance Policy market coverage is limited. Organizations that maintain separate policies effectively compete for the available coverage, and higher insurance limits may not be available to the master programme. Competition ultimately raises the costs for all organizations;

(ii) The Malicious Acts Insurance Policy is an example of cooperation among United Nations system organizations, which takes advantage of economies of scale and synergies to achieve cost efficiencies for all participants. The United Nations system as a whole has materially stronger market power in negotiating the programme than do individual agencies. Administrative fees charged by the United Nations as managing entity can be safely assumed to be less than what it would cost each individual organization to handle an individual policy;

(iii) Since for the next three years the policy cost is essentially fixed, it would be beneficial to increase participation in the programme. Increase in the number of participants and covered lives within the 50 per cent band will effectively reduce the premium per person;

(b) Streamlining criteria for Malicious Acts Insurance Policy coverage and ascertaining coverage of all categories of individuals for which coverage is required. The organizations should examine uniformity of criteria for coverage and consider whether coverage of additional personnel categories would be appropriate. For example, categories that may be considered for coverage by participating organizations include interns, volunteers and fellows;

(c) Streamlining criteria for beneficiary determination. To facilitate claim process and ensure uniform benefits to staff members within the United Nations system, it is recommended that participating organizations consider adopting the criteria for United Nations staff members as set forth in document ST/SGB/2004/11;

(d) Nuclear, biological and chemical exclusion. To date, securing such coverage at an acceptable cost has not been feasible. The participating organization shall continue to recognize potential liabilities arising from this risk;

(e) Increase the excess malicious acts coverage provided for New York and Geneva. Participants shall indicate if a further increase is desirable.