



Chief Executives Board for Coordination

22 March 2002

English only

Conclusions of the third session of the High-level Committee on Management

(New York, 4 and 5 March 2002)

I. Introduction

1. The High-level Committee on Management (HLCM) of the United Nations System Chief Executives Board for Coordination (CEB) held its third regular session at the New York Office on 4 and 5 March 2002. The list of participants is contained in annex I. The agenda of the session (CEB/2002/HLCM/R.1/Rev.1) focused on (a) a vision for information and communication technologies (ICT); (b) the security and safety of staff; (c) the reform of the pay and benefits system; (d) geographical balance; (e) consultations with the staff representatives; and (f) follow-up on outstanding matters and future arrangements.

2. All documents related to the session and presentations thereto can be viewed on the HLCM web site: <http://www.unsystem.org/hlcm/documentation-third.htm>.

3. The agenda was adopted by the Committee.

II. A vision for ICT

(CEB/2002/HLCM/R.4)

4. In the context of its decision to pursue work in the priority area of capitalizing on technology, the Committee reviewed proposals put forward in respect of developing a vision for ICT.

5. It welcomed the overview provided by Mr. Don Skerrett (Chef de Cabinet, International Labour Organization (ILO)) in respect of the proposals

contained in document R.4, which provided a positive, pragmatic approach that could be developed by the system to manage technology in the coming years.

6. It also welcomed presentations on the United Nations ICT strategy, and on the composition, work and vision of the ICT Task Force.

7. The first presentation highlighted the value of the presence of one or more ICT Managers/Chief Information Officers at each HLCM session. The Committee therefore reconfirmed the decision made at its first session that ICT issues should be a standing item in the Committee's agenda and that, whenever possible, two or three ICT Directors/Chief Information Officers should be present for discussion of these issues.

8. The second presentation highlighted the importance of maintaining close links, within the ICT framework, with other entities whose work was clearly complementary to that of the Committee. It concluded, therefore, that links should be established and maintained with the ICT Task Force. It requested the CEB secretariat to ensure that, by electronic means, it is kept informed, as appropriate, of ongoing work in the ICT Task Force and of any areas where, by working together with the ICT Task Force, greater synergies or effectiveness might be attained.

9. The Committee took note of the proposals contained in document R.4. Noting that organizations had different levels of funding and were at different stages of ICT development, it concluded that the CEB secretariat should report to the next session of HLCM,

or if possible earlier by electronic means, on the following initiatives:

- The development of a Compendium of good ICT practice across the United Nations system, which should reflect the implications of the use of ICT for programme delivery and include:
 - Guidelines for inter-agency consultation
 - Guidelines for good practice on key hardware, software, and networking issues
 - Guidelines for the development, in conjunction with the High-level Committee on Programmes (HLCP), of key performance indicators (kpi's) and systems to track such kpi's
 - Methods for identifying and justifying the risks, rewards and costs of ICT infrastructure development and business innovations.
- Disseminating details of best practice in respect of work being undertaken across United Nations system organizations leading to more secure and robust information services to cope with the increasing risks of cyber-attacks and the like.
- Exploring, in collaboration with information and programme managers, the feasibility, and cost/benefit of developing an inter-agency search facility across the public web sites of all United Nations system organizations based on customized commercial software similar to the "Google" service.
- Improving information-sharing among staff of United Nations system organizations by developing an expanded United Nations Extranet, about which the Committee wished to be updated regularly.
- Compiling and maintaining an inventory of framework agreements and working with appropriate procurement groups to support expansion of appropriate joint purchasing through framework agreements, and volume discounts for ICT hardware, software and services.

10. In all these projects, HLCM would need the advice and support of the ICT Directors/Chief Information Officers. To this end, the secretariat was requested to ensure that the network of ICT Directors/Chief Information Officers was provided with such opportunities, by electronic and other means,

to interact and work together as would enable this group to further exchange information on issues of common concern. In addition, task forces could spur forward developmental work in each of these areas. The Committee would determine, on the basis of progress reported at or before its next session, whether to establish such task forces and to determine their composition.

11. Arising out of the discussion, the Committee also saw the need for the secretariat to facilitate:

- The establishment of additional thematic "Special Interest Groups", along the lines of the Inter-Agency Telecommunications Advisory Group (ITAG) for knowledge-sharing and the development of best practices on specific topics, such as Enterprise Resource Planning (ERP) systems. For example, there could be discussion boards for Systems, Applications and Products in Data Processing (SAP) users, Oracle users and the like. Such groups would help ensure that large projects were coordinated to the extent possible.
- Extended possibilities for joint procurement of ICT hardware, software, and services.

12. The Committee concluded further that support for all these activities would require a strengthened facilitation role within the secretariat, and potentially additional resources.

13. On a matter arising out of its discussion, the Committee recommended that the Inter-Agency Procurement Services Office (IAPSO) should be invited to give an overview of its services at a future HLCM meeting.

III. Security matters

14. The Committee was provided with a progress report by the Deputy United Nations Security Coordinator, office of the United Nations Security Coordinator (UNSECOORD), in which it was confirmed that agencies were working more closely together on security matters than ever before.

15. The Committee also noted that:

- The implementation of General Assembly resolutions on the safety and security of humanitarian personnel and protection of United Nations personnel was proceeding smoothly; at

Headquarters, the recruitment of additional staff was under way and expected to be completed by June 2002.

- In the field, as at 1 March 2002, 70 Field Security Officers (FSOs) were in place and candidates for another 30 positions were being interviewed. In all, 100 applicants had been selected for interview. Hence, those successful in the interview but not selected for any of the 30 positions would be placed on the UNSECOORD security roster to be available for rapid assignment. The recruitment and assignment process was expected to be completed by June 2002. A Memorandum of Understanding had been signed with the United Nations Development Programme (UNDP) that would undertake the recruitment and administration of the FSOs on behalf of the United Nations system.
- A working group had met in January 2002 and discussed accountability on which a proposal would be forwarded to the Inter-Agency Security Management Network which would make recommendations thereon to HLCM at its next meeting.
- The issue of air safety was becoming a matter of serious concern. There were two components: (a) situations where the United Nations system chartered aircraft and (b) the use made of commercial aircraft by organizations. In these instances, approaches based on cost considerations only and without reference to quality were no longer viable options. The Inter-Agency Security Management Network would be considering proposals to establish common minimum air safety and security standards and the related issue of the number of the members of United Nations system staff (30) who could fly on one aircraft within the framework of the current malicious acts insurance policy. Recommendations would be forwarded to HLCM at its next meeting. The Committee took note of the willingness of the International Civil Aviation Organization (ICAO) to participate in providing assistance.

16. The Committee welcomed the progress made and looked forward to receiving recommendations from the Inter-Agency Security Management Network to be forwarded to CEB and the General Assembly as required.

17. Significant progress was also reported in respect of training to enhance the security awareness and preparedness of staff. In addition to the training programmes themselves, an interactive CD-ROM had been developed for use by all United Nations organizations. The essential message was that security was a shared responsibility. The importance of providing such training — and exposure to the CD-ROM — to staff in Headquarters and other non-field locations was emphasized most forcefully. Security was no longer exclusively a “field issue”. Senior managers everywhere had to take full responsibility for their role in the management of staff security.

IV. Reform of the pay and benefits system

(A summary of the goals, approaches, current status and phased implementation proposals of the review of the pay and benefits system is contained in annex II.)

18. After an extensive briefing on the reform of the system that underpins pay and benefits, the Committee concluded:

- With appreciation, that the features of the proposals forthcoming in the review to date would provide a much needed basis for the improvement of organizational performance and represented a fundamentally new way of managing staff.
- That there was a political as well as a business case for modifying the pay and benefits system at the current time.
- That the approaches being considered in the review were similar to those being undertaken by Member States in all continents and were a logical complement to the introduction of human resources management reforms and results-based budgeting.
- That the dangers of not reforming the system now outweighed the challenges associated with the reform process.
- That the basic tenets of the approaches taken, inter alia, to
 - Allow greater competitiveness in remuneration

- Link remuneration more directly to contribution (outputs/competence)
- Reward both performance and competence
- Strengthen management capacity
- Reform job evaluation to support organizational performance
- Move towards providing pay banding options that organizations could tailor to their specific requirements
- Modernize and streamline allowances

would help meet the concerns repeatedly expressed by Executive Heads in CEB over (a) the lack of flexibility and responsiveness of the current pay system with respect to meeting the diverse needs of organizations, (b) its overcomplexity and (c) its lack of transparency.

19. In connection with the role HLCM should play as the review moved forward, the Committee concluded that:

- Its role would most probably change as the different stages of development and implementation were pursued.
- In the current stage, it would be called upon to advocate the reforms with senior management, staff representatives and Member States as well as to support those human resources managers who were directly involved in developing the proposals in the International Civil Service Commission (ICSC).
- At a later stage in the development of the senior management service, it could review modalities for and consider participation in any coordinating body created to ensure a degree of inter-agency commonality in the development of performance management tools, learning and development plans and other arrangements for the service.

20. As the development of the proposals was pursued during 2002, the Committee urged those members of the Human Resources Network participating in working groups and sessions of ICSC to:

- Review with ICSC the extent to which funds might be found to enable work on the third tier of the proposals (that is to say, work that it was currently anticipated would be undertaken in

2004 on modernizing and simplifying allowances and other issues) to be advanced to 2003. This could help provide the General Assembly with a more complete picture of all the reforms going forward as well as a clearer estimate of their overall costs.

- Ensure that an effective information strategy for all stakeholders was developed and implemented.

21. The Committee also noted that, as had been announced by ICSC at the beginning of the exercise, there would inevitably be costs associated with the introduction of the reforms, but to some extent these would be offset by improved organizational performance.

V. Geographical balance

(CEB/2002/HLCM/R.2 and R.2/Add.1)

22. The Committee:

- Welcomed the information provided in the documents that also highlighted the individual nature of current arrangements for geographical balance in different organizations.
- Requested the secretariat to continue to disseminate information in respect of (a) changes in organizations' practices in respect of geographical balance and (b) the global picture, in terms of geographical representation, across all organizations of the United Nations system.

VI. Consultations with staff representatives

(Statements by the Federation of International Civil Servants' Associations (FICSA) and the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) (attached as annexes III and IV))

(CEB/2002/HLCM/R.3: participation of staff representatives in the HLCM machinery; note by UNDP)

23. The Committee:

- Took note with appreciation of the information received from the staff federations which had been circulated in advance of the discussion.
 - Exchanged views with the staff representatives on the issues raised therein — in particular in respect of the reform of the pay and benefits system — and also on:
 - The need for mechanisms to deal with cases of harassment — in the broadest definition — of United Nations system staff, especially in field locations
 - Concerns for the arrangements for the security and safety of locally recruited staff
 - The need to focus on security arrangements at all locations, not only those in the field (in this connection, reference should also be made to para. 17 above)
 - The need to uphold the concept of the international civil service and in this context to review the contractual arrangements for core and non-core staff
 - The costs associated with the Federations' participation, inter alia, in the review of the pay and benefits system and the related request for financial assistance to ensure that this participation would be maintained.
 - Recalled the importance it associated with the full participation of the staff representative bodies in the review of the pay and benefits system and hence their ongoing presence at ICSC and the working group sessions related to discussions of this matter.
24. The dynamic discussion on these issues was welcomed by all participants. Although it had not been intended to lead to decisions on the Committee's part, the Committee agreed:
- To request the secretariat to prepare for the next session a full picture of the current financial and other support for the staff federations.
25. In connection with the proposals for future consultation with the representatives of the staff federations, the Committee:
- Expressed its appreciation to UNDP for the helpful proposals contained in document R.3.
 - Took note of the support expressed by the representatives of FICSA and CCISUA for these proposals.
26. It further concluded that HLCM was a management body that was called upon to review a wide range of subject matter; as such, full-time participation in its sessions would be open only to members of the Committee itself.
27. In accordance with its terms of reference, HLCM was responsible for maintaining an ongoing dialogue with staff representatives on human resources management concerns of a system-wide nature. In this connection, the Committee agreed that the participation of the staff representative bodies in its work should be pursued as follows:
- (a) The staff representative bodies would contribute to setting the agenda of HLCM sessions through the submission, no later than two months in advance of formally scheduled meetings, of proposals on matters for potential consideration by HLCM. On those items related to conditions of employment, staff welfare, staff safety and security, and other relevant human resources issues retained by the Committee for consideration, the federations would be invited to prepare written inputs for circulation at least two weeks before the date of the session;
 - (b) The federations would continue to participate as observers in all open sessions of the Human Resources Network;
 - (c) Participation as observers in the work of HLCM was foreseen as follows:
 - (i) In HLCM task forces/working groups as appropriate. The Committee foresaw such participation in task forces convened to work on matters related to staff security and safety, conditions of employment and other relevant human resources issues;
 - (ii) At an early stage in HLCM sessions in order to allow for a full exchange in respect of the issues raised in the agenda of each session;
 - (iii) In HLCM discussions at which the conclusions/recommendations of task forces/working groups in which the staff federations had participated were being presented;
 - (iv) In other discussions, as appropriate and agreed to by the Committee;

(d) Regular communications would be maintained with the CEB secretariat and, to the extent possible, the Chairman and/or Vice-Chairman, in order to keep the representatives of FICSA and CCISUA apprised of the work being undertaken by the Committee, in particular at the conclusion of each HLCM session.

28. In reaching these conclusions, the Committee was cognizant of the importance of trying to ensure the participation of staff at the stage of policy formulation on relevant matters in HLCM, the Human Resources Network and elsewhere.

VII. Follow-up on outstanding matters/ future arrangements/other matters

(CEB/2002/HLCM/R.5, CEB/2002/HLCM/R.6)

A. Simplification of entitlements

29. The Committee:

- Was informed by UNDP that the evaluation of the 560 cases in the first year of operation of the lump sum relocation grant had shown that:
 - Ninety-four per cent of staff had availed themselves of the lump sum option and were satisfied with it
 - In terms of financial outlay, the lump sum grant was more favourable than the previous system to the extent that the costs incurred in the evaluation year (2001) were less than those in the year preceding the introduction of the lump sum option
 - There had been significant reductions in staff costs including ½ person-year in the central travel department, 4 person-years in the central HR department, 2½ person-years in country offices.
- Noted that the lump sum system had resulted in giving up absolute fairness and control in return for cost savings.
- Invited the Human Resources Network to review further the implications for all organizations of the introduction of the lump sum relocation grant by UNDP as well as by the United Nations Children's Fund (UNICEF) and the Office of the

United Nations High Commissioner for Refugees (UNHCR) which had not evaluated their schemes.

- Further invited the Human Resources Network to review what other areas were susceptible to simplification and to bring proposals thereon to the Committee at a future session.

B. Letter to the Chairman of the Panel of External Auditors of the United Nations, Specialized Agencies and the International Atomic Energy Agency

30. After a careful consideration of the issues raised by the Chairman of the Panel of External Auditors of the United Nations, Specialized Agencies and the International Atomic Energy Agency in respect of the continued development of United Nations accounting standards and the development by the International Federation of Accountants (IFAC) of International Public Sector Accounting Standards (IPSAS), the Committee:

- Agreed to a response to the Chairman of the Panel of External Auditors in respect of the development of accounting standards (attached as annex V).

(See also para. 33.)

C. Arrangements for United States tax reimbursement in the United Nations common system

31. The Committee:

- Took note of the different practices in respect of arrangements for the reimbursement of United States taxes as reported upon in document R.6 and in particular in respect of arrangements arrived at between the Government of the United States of America and the North Atlantic Treaty Organization (NATO) by which income from the organization was not included in the tax return prepared by United States nationals working therein.
- Decided to invite its Chairman to pursue with the United States authorities the matter of the extent to which the introduction of arrangements similar to those at NATO might be foreseen for the

United Nations system and to report to the Committee accordingly.

D. Future arrangements for the discussion and resolution of financial and budgetary management

32. Within the framework of its terms of reference which stated, inter alia, that the Committee's "work is carried out in the main through task forces of experts in given administrative areas ... whose work is guided by HLCM" (para. 4), the Committee reviewed the direction it wished to give to, and the issues it wished to have considered by, the network of budget and finance managers.

33. There was first the need to establish a sharply focused agenda of issues on which the network should work both by electronic exchanges and through a meeting, if necessary, before the next session of HLCM. Among the substantive issues to be included in this agenda, the Committee had, in the course of its third session, already identified:

(a) An appropriate mechanism for effective and timely follow-up work on accounting standards particularly with regard to monitoring and participating urgently in the development of International Public Sector Accounting Standards by the International Federation of Accountants;

(b) An analysis of all the dimensions of the problems associated with funding after-service health care.

34. It thus requested the secretariat urgently to consult electronically with HLCM members to identify additional agenda items and subsequently to share these with the financial and budgetary network in order to develop a dynamic strategic agenda.

35. In this connection, the Committee wished to emphasize the importance it attached to the working methods it had adopted in December 2000 in order to obviate the need for routine meetings based on agendas that were largely repetitive. In particular, it hoped that every effort would be made to ensure the participation of those responsible for budget and for finance in a future financial and budgetary network meeting.

36. On a related matter, the Committee decided to include in its own agenda an item on the changing

nature of the balance between regular and voluntary (sometimes referred to as extrabudgetary) funding in organizations, which was having an important impact in both the management and programme areas, including, inter alia, concerns for staffing, the independence and impartiality of the international civil service and contractual arrangements. It requested the secretariat, with all urgency, to make proposals as to how to best treat such a matter in the future.

Next session

37. It is envisaged that the Committee's next session will be held in Geneva in September 2002. The Committee will be consulted about a suitable date which at present would appear to be in the last week of the month.

38. As requested by the World Health Organization (WHO), the Committee will receive for approval at that session, the terms of reference for the International Computing Centre (ICC).

Annex I

List of participants

Chairman:

Joseph Connor

Vice-Chairman:

David Waller

Secretary:

Roger Eggleston

<i>Organizations</i>	<i>Name and title</i>
United Nations	Mr. J. Connor, Under-Secretary-General for Administration and Management Ms. J. Beagle, Director, Specialist Services Division Mr. E. Blinder, Director, Information Technology Services Division Mr. J. Karia, Director, Accounts Division Ms. D. Russler, Deputy United Nations Security Coordinator
UNICEF	Ms. K. Sham Poo, Deputy Executive Director
UNDP	Mr. J. Mattsson, Assistant Administrator and Director, Bureau of Management
UNFPA	Ms. I. Henkin, Deputy Executive Director (Management)
WFP	Ms. J. R. Degala-Mabutas, Assistant Executive Director for Administration
UNEP	Mr. A. Barabanov, Chief, Division of Administrative Services
UNRWA	Mr. M. Nasser, Chief, New York Liaison Office
UNHCR	Ms. G. Hesselmark, Controller
ILO	Mr. D. Skerrett, Director, Office of the Director-General Mr. C. Perrin, Coordinator of Inter-Agency Affairs
FAO	Mr. K. Mehboob, Assistant Director-General, Administration and Finance
UNESCO	Ms. D. Dufresne, Director, Bureau of Human Resources Management
ICAO	Mr. V. Pattanayak, Director, Bureau of Administration and Services
WHO	Mr. M. Baquerot, Executive Director, General Management
UPU	Mr. M. Mazou, Deputy Director General
ITU	Mr. D. J. Goossen, Chief, Personnel and Social Protection Department
WMO	Ms. K. Charles, Director, Resource Management Department
IMO	Mr. R. Jones, Director, Administrative Division
WIPO	Mr. T. Keefer, Special Adviser to the Director-General Mr. S. Arneberg, Deputy Director, HRM Division

<i>Organizations</i>	<i>Name and title</i>
IFAD	Ms. M. Simon, Director of Personnel
UNIDO	Ms. I. Freudenschuss-Reichl, Special Representative and Assistant Director-General for United Nations Affairs
IAEA	Mr. D. Waller, Deputy Director-General Management
World Trade Organization	Mr. J. Chabert, Director, Administration and General Services Division
World Tourism Organization	Mr. P. Shackelford, Director of Administration Mr. R. Ahmed, Special Representative
Comprehensive Nuclear-Test-Ban Treaty Organization	Mr. M. Hasenau, Chief, Personnel Section
FICSA	Ms. J. Albert, General Secretary
CCISUA	Ms. M. Waters, President
CEB Secretariat	Mr. S. Fareed, Director, CEB secretariat Mr. R. Eggleston, Secretary, HLCM

Annex II

Reform of the pay and benefits system

1. Over the years the Administrative Committee on Coordination (ACC), now the United Nations System Chief Executives Board for Coordination (CEB), has repeatedly expressed concern regarding the current pay and benefits system, including:
 - Its lack of competitiveness, flexibility and sensitivity to organizations' needs
 - Its overcomplexity
 - Its lack of transparency
 - Its high cost of administration
 - The general frustration with respect to the fact that most organizations' human resources reforms were impeded by a monolithic, centrally controlled system.
2. The most frequently cited problems associated with the system are:
 - The incongruity between the design of the current system and the demands of a modern, dynamic labour force
 - The fact that there is no reflection of the need for a multi-skilled workforce or for teamwork
 - The fact that the current system rewards length of service, not competence or contribution
 - The fact that it creates a culture of entitlement rather than of performance.
3. In 2000, the General Assembly endorsed an International Civil Service Commission (ICSC) human resource management framework and invited ICSC to lead the development of new human resources approaches as part of organizations' overall reforms. The framework identified the review of the pay and benefits system as a priority. During late 2000 and early 2001, a series of three Focus Groups^a (on the Nature of Work, Management Capacity and Reward for Contribution) met to identify problems and issues with the current system and broad directions for change. In July 2001, ICSC reviewed progress, gave directions for future work and established a Working Group to develop options and specific recommendations for change.
4. The Working Group has met twice to develop a reform package which:
 - Provides real support and flexibility to organizations in carrying through their current change programmes and, overall, to making the United Nations common system a more competitive employer.
 - Takes into account staff concerns that, if they are expected to "do more with less", they should benefit at several levels (for example, in respect of more competitive pay; more training and development; better career prospects; and better managers).
5. Work has been carried out within a framework that:
 - Acknowledges the balance between the necessity of a holistic approach and hence of reviewing all elements, and the fact that not all reforms can be put in place at the same time.
 - Avoids piecemeal approaches.
 - Ensures that implementation issues are considered at the design stage.
 - Acknowledges the political environment.
6. In the first phase, three elements are considered to be the cornerstones of the review and will be the priority for 2002. These are:
 - (a) Updating the application of the Noblemaire principle (competitiveness);
 - (b) Building management capacity;
 - (c) Realigning job evaluation to support organizational performance.
7. **Making the pay system more competitive:** If the United Nations is to remain an "employer of choice", the pay system must be competitive. To this end, it is proposed that the application of the "Noblemaire" comparison of United Nations pay with that of the United States Federal Civil Service be expanded by reference to:
 - (a) The pay levels of the United States Federal Civil Service as they would be under the Federal

Employees Pay Comparability Act (FEPCA) legislation approved by the United States Congress;

(b) The pay levels of other international civil services whose work is similar to that of the United Nations common system;

(c) Potentially, the United States Foreign Service.

8. **Building management capacity:** This issue (which encompasses management selection, development and performance) is being considered in the context of a series of proposals to establish a senior management service across the United Nations system. In this respect, there is first the need to develop common principles and operating procedures to guide further work across the system to improve management capacities with adequate flexibility in implementation at the level of each organization. Establishing a senior management service is not intended to be an end in itself but a vehicle for building better management within the United Nations system; and a new way of managing key staff.

9. **Realigning job grading to support organizational performance:** A proposal to introduce a new system of job evaluation is under review. The design (which involves establishing a new Master Standard, grade level descriptors and a revised job description format) is simple and flexible and will be integrated with performance management and competency development. It also presents options for salary scale reform that would support the introduction of options of broadbanded salary ranges.

10. In the second phase, work will be pursued in 2003-2004 on building a rewards strategy (for example, strategic bonus awards, rewarding performance/competence), the simplification of allowances and benefits, and other issues (for example separation package, link to pension etc.).

11. In summary, this work which started in 2001 and is expected to proceed throughout 2002-2003, aims at designing a system that is more competitive, less complex and more responsive to the needs of individual organizations. Potentially, this may be one of the most significant human resources reforms in more than 50 years.

Notes

^a Composed of members of ICSC, organizations' line managers, human resources managers, and staff representatives as well as FICSA and CCISUA.

Annex III

Statement by the General Secretary of the Federation of International Civil Servants' Associations

On behalf of the Federation of International Civil Servants' Associations (FICSA), I would like to express our appreciation for this invitation today. We wish to take this opportunity to give our views on four topics that are of vital interest to the staff we represent in headquarters and field duty stations.

The first topic I would like to discuss is the proposal for reform in the pay and benefits system. FICSA fully recognizes the need for reform and we appreciate the substantial efforts that are being made by the International Civil Service Commission (ICSC) secretariat and human resources managers in conceptualizing a new approach.

We believe that staff will welcome the features of the new system which allow greater career opportunities, more recognition of achievements and rewards when performance is exceptional.

FICSA agrees that it is time to update and simplify the Master Standard and to create new job classifications. This will help both staff members and supervisors to understand what is expected of them.

We think that the proposal for dual career ladders, one focusing on management capacities and the other on specializations such as technical expertise is an excellent idea. This could strengthen the management and technical work of the United Nations agencies. However, FICSA believes that this dual ladders concept should not be limited to senior staff, as envisioned in the current proposal. Instead, these options should be offered to all staff, preferably early in their careers so that they can plan accordingly. A much wider range of training opportunities will be needed than exists at the present time.

Regarding the proposal for a senior executive service, we note that improvements in management are essential and we appreciate the need for leadership development. We are doubtful that all line managers currently possess the communication skills needed to give encouragement and feedback to staff; this is essential for implementing the new system. Improvements in performance evaluation systems are needed.

Bonuses are also a feature of the proposed system. At this time, FICSA would prefer the use of non-cash bonuses. We support the notion of local committees comprising both staff and managers who would decide on the appropriate types of awards. This may contribute to developing clarity and consensus on the meaning of outstanding performance and avoid accusations of favouritism.

FICSA is very cognizant of the difficulties some agencies face in recruitment. However, we are concerned that large cash bonuses may lead to inequities among staff that carry out similar functions in similar duty stations.

We believe the United Nations will be able to attract highly qualified and motivated staff if the Noblemaire principle is applied appropriately and if individuals perceive the organizations to be places where they will be able to enjoy career fulfilment.

In the application of the Noblemaire principle, I should note that FICSA supports the revision of the methodology to include a wider comparative base.

In closing on this topic, I would like to stress that, from the perspective of FICSA, it is of the foremost importance that the reforms in the pay and benefits system not result in deterioration in future incomes and status of staff.

Now I would like to turn briefly to some other issues.

On the agenda item about staff security, FICSA welcomes the new cost-sharing arrangements and the recent strengthening of the Office of the United Nations Security Coordinator (UNSECOORD). As always, FICSA advocates that security measures must adequately care for locally recruited staff.

With your permission, Mr. Chairman, I would like to draw the Committee's attention to two matters that are not in the agenda for this meeting.

At the recent FICSA Council, our members expressed their serious concerns about widespread harassment of staff members working in the field. We are speaking of harassment such as ridicule, bullying,

discrimination, and inappropriate requests for services, in addition to sexual harassment.

We *urge* that HLCM consider ways to intensify efforts to eliminate harassment by creating mechanisms to address these problems swiftly when they arise. Such mechanisms could range from local arbitration panels and informal conflict mediation committees to oversight machinery, similar to the Office of the Inspector General which exists in some organizations.

On the problem of human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS), FICSA would like to reiterate the need to address issues concerning this disease in the United Nations workplace. While progress has been made to ensure that prevention, care, treatment and access to drugs are equitable for all staff, several key elements of the strategy require additional funding. Resources are required to support medical services, an inter-agency post and focal points at country, regional and global levels, and to launch the HealthNet.

Finally, FICSA believes that each of the issues I have mentioned cannot be addressed without full participation of staff. As staff representatives, we look forward to future opportunities to consult with HLCM.

Mr. Chairman and Committee members, I would like to thank you for your attention.

Annex IV

Statement by the President of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA)

Members of the High-level Committee on Management,

I am honoured to present to you today the views of the Coordinating Committee for International Staff Unions and Associations of the United Nations System (CCISUA) on a variety of issues affecting the common system of the United Nations. The first development on which CCISUA would like to comment is the effort made by this Committee to open a dialogue with the staff representatives.

CCISUA considers this a very progressive step. We have repeatedly stressed that there is a tremendous difference between ensuring that the stakeholders in this Organization have input into the policies that affect their futures and co-management. We believe that this step by the High-level Committee will allow this Organization to excel to the point that is frequently encapsulated in the vision, expressed by our Secretary-General, of an organization that is vital and is rising to the challenges presented by the current world trends and political situation.

CCISUA fully supports reform. As staff representatives, we have pointed out over the years many of the concerns about inadequacy and lack of transparency in placement and promotion, the difficulties in mobility and the lack of a comprehensive career development system in the Organization. However, we stress the need to temper sweeping change with safeguards that will protect the acquired rights of staff and minimize the chances of harassment and discriminatory treatment.

There is much to be said about many issues. However, I will restrict my comments to a few of the most pressing current issues.

Security of staff in the field

As the world becomes a more unstable place, it is critical that the United Nations concentrate on the personal security of staff on field missions. Additional funds are needed to provide the proper training and infrastructure to ensure that staff who are fulfilling

mandates in troubled areas of the world are protected to the maximum extent. There is also a need to address the psychological and physical needs of staff when they return from their assignments. Too often, the stresses of the field remain with staff long after the experiences have passed.

Permanent appointments

Although different organizations have varying views on permanent appointments, the staff representatives share one objective — to ensure that the independence of the international civil service is retained at all costs. We do not want the United Nations to follow the same path as the League of Nations. Political appointees and seconded staff should never be so great in number as to threaten the independence that allows the Organization to discharge its programmes in a fair and impartial manner. At the same time, CCISUA realizes that career appointments should not be abused and steps should be taken to ensure that they are not perceived as an automatic job for life.

Accountability

CCISUA is troubled by the tendency to relinquish the central authority of organizations to individual managers. We do not believe that managers are ready for such wide responsibility and authority. The managerial practices of the Organization, despite the millions invested in training, still exhibit too many instances of favouritism, nepotism and discrimination. There are no clear substantive measures for accountability. Panels and high-level boards that examine departmental trends are not sufficient. The individual staff members of this Organization are suffering daily from inadequate — and, sometimes, malicious — supervision. To place all staff under the complete control of those individuals who are now inflicting such suffering, may prove to be the biggest mistake ever made by this Organization in relation to what is supposed to be its most valuable resource.

Inter-agency mobility

The United Nations is currently working on a system of mobility that would allow staff to relocate once within each two-to-five-year period. CCISUA believes that an international civil servant, in order to be effective and responsive, should be mobile. Inter-agency mobility has been examined many times and strides have been made towards that goal. It would be beneficial for all organizations to make implementation of such a system a priority. CCISUA feels that adequate safeguards must be put in place to protect staff from being subjected to mobility as a punitive action. Furthermore, mobility should not be used to discard staff: there must be incentives and rewards for undertaking assignments, particularly in hardship areas. The effects of increased mobility on families need to be carefully examined, since the United Nations, as a good employer, should encourage maximum protection of the family unit.

Work/life issues

A great deal of work is being done by many organizations on the issues that form the work/life agenda. While addressing human resources issues and their reform, it is also essential that the High-level Committee remember that issues such as spousal employment, childcare availability and flexible work schedules will enable the United Nations to attract and retain the younger staff that it needs to balance its profile. Initiatives have been started on long-term care insurance and there continues to be a great need for this type of programme. This is the time to keep advancing these issues, since they form the basis for a competitive benefits package of a good employer. The lack of appropriate work/life considerations, coupled with the lack of competitiveness of United Nations salaries, will continue to make the Organization less than desirable as an employer.

System of administrative justice

All staff deserve to have their appeals addressed quickly and competently. The United Nations staff were happy to see the recent proposal by the General Assembly to consider merging the United Nations Administrative Tribunal (UNAT) with the Administrative Tribunal of the International Labour

Organization (ILOAT), with the jurisprudence of the latter taking precedence. Although this is an extremely complex issue, it would be in the best interests of all staff in the United Nations to be able to benefit from the jurisprudence of ILOAT, particularly with regard to awards for compensation and specific performance. CCISUA hopes that this issue will be encouraged by the heads of all organizations in order to establish a fair system of justice.

Staff/management relations

All of the issues mentioned above as well as others will be dealt with cooperatively as long as all organizations of the United Nations remember the most fundamental element for a good employer — good staff-management relations. If staff representatives were involved in the policy development phase, it would allow all staff to take ownership of the policies that will have long-term and far-reaching effects on them. CCISUA appeals to the High-level Committee to set the example for good practices and encourage senior management to embark on a true dialogue, in good faith, with its representatives. Representing those performing the ground-level work, our view is more realistic and is needed to complete the total picture of this Organization.

CCISUA thanks you for the opportunity to address you today and hopes that concrete action will follow. We stand ready to cooperate in any way you deem appropriate.

Thank you.

Annex V**Letter dated 7 March 2002 from the Chairman of the High-level Committee on Management addressed to the Chairman of the Panel of External Auditors of the United Nations, Specialized Agencies and the International Atomic Energy Agency**

I refer to your letter dated 27 November 2001, which has been referred to me for reply as Chairman of the High-level Committee on Management (HLCM) of the United Nations System Chief Executives Board for Coordination (CEB), on the consideration by the Panel of External Auditors of the United Nations, Specialized Agencies and the International Atomic Energy Agency of the development and implementation of United Nations system accounting standards (UNSAS).

I note the Panel's views that UNSAS should be prescriptive, clearly defined, and applicable consistently from one financial period to the next as well as between organizations, and am pleased that the Panel concluded that considerable progress has been made thus far. CEB very much appreciates the way the Panel has worked with the United Nations system on developing this "living document" and welcomes the continued contributions of the Panel in the future.

With regard to the seven areas of UNSAS designated for review, I can confirm that a mechanism is to be set up to ensure that this is done. While changes have been made in the subsidiary machinery of CEB following the introduction of HLCM, standing committees such as the previous Consultative Committee on Administrative Questions (Financial and Budgetary Questions) and its working party on accounting standards have been replaced by agenda-focused and time limited task forces. Thus, the meeting on accounting standards that took place in June 2001 and to which you refer, was a Task Force of Accounting Specialists convened under the new arrangements. You can rest assured that meetings of that particular Task Force will continue to be convened to carry forward the development of UNSAS.

With regard to international public sector accounting standards (IPSAS) being developed by the Public Sector Committee of the International Federation of Accountants (IFAC), I note, as did the Panel, that this is work in progress. This was a matter of considerable discussion at the meeting of HLCM on 4 and 5 March where it was agreed that particular issues affecting the United Nations system should be fully and effectively represented. We intend to pursue this with IFAC to review how best a mechanism to monitor and participate in IPSAS development can be put in place.
