

**REPORT OF THE EIGHTY-SIXTH SESSION
OF THE CONSULTATIVE COMMITTEE ON
ADMINISTRATIVE QUESTIONS
(PERSONNEL AND GENERAL
ADMINISTRATIVE QUESTIONS)**

(Paris, 14-17 April 1997)

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- I List of participants
- II Agenda as adopted by the Committee

[The following report reflects the work of CCAQ(PER)'s eighty-sixth session. Matters raised in this report which are to be brought before ACC's second regular session of 1997 will be consolidated with those taken up at CCAQ(PER)'s eighty-seventh session in July 1997.]

Introduction

1. The Consultative Committee on Administrative Questions (Personnel and General Administrative Questions) held its eighty-sixth session at UNESCO in Paris from 14-17 April 1997. Members of the Committee also attended the forty-fifth session of the International Civil Service Commission (ICSC), which took place from 21 April to 2 May 1997.

2. The session was attended by representatives of member organizations, the ICSC secretariat, the Federation of International Civil Servants' Association (FICSA), the Coordinating Committee for International Staff Unions and Associations (CCISUA) and the Common Fund for Commodities. The list of participants is attached in annex I.

Election of Chairperson and Vice-Chairperson

3. The Committee elected as its Chairperson Mr. Dieter Goethel (IAEA) and as its Vice-Chairpersons Ms. Jan Beagle (UN) and Ms. Haruko Hirose (UNESCO).

Adoption of the agenda

4. The Committee adopted its agenda as contained in Annex II.

Opening of the session

5. The Committee respected a moment of silence as tribute to Ms. Helen Schebesta (ILO), a long-standing member, who had passed away in September 1996.

New approaches to human resources management

6. As a result of requests made to it by ACC and CCAQ as a whole and taking account of requests made by the General Assembly to the organizations and to ICSC, the work of the Committee's eighty-sixth session centred around new approaches to human resources management.

7. This subject was viewed within the overall context of the strengthening and reform of the United Nations common system.

8. The 'leitmotiv' for the session was referred to as the introduction of greater flexibility as human resources management initiatives were being introduced.

9. Under the overall rubric, a number of issues were referred to:

- C the framework on which new approaches or initiatives should be based (the international civil service);
- C core common system issues;
- C the "core" and "non-core" functions of organizations;
- C the introduction of competency (or function-based) differentials emanating from earlier proposals to introduce special occupational rates;

- C the introduction of more flexible leave arrangements to cater for family emergencies within the framework of the Committee's work/family agenda;
- C the streamlining, centralizing and pooling of human resources processes:

10. The secretariat had prepared a number of base documents¹ highlighting *inter alia* the concept and history of the international civil service and the need to preserve the moral authority of that international civil service whilst introducing change in the management of each organizations' human resources and pointing out the changes that had already taken place in the organizational landscape of common system organizations.

11. The secretariat had also put forward suggested guidelines for the steps required for organizations to move logically through the process of human resources management reform starting with the redefinition of organizational mandates, the delineation of core and non-core functions and the staffing needs which would enable those functions to be effectively and efficiently carried out and, as a consequence, the contractual arrangements required.

12. In conjunction with the Committee's session, an ICSC Working Group on Appointments of Limited Duration enabled organizations to review further the development of such appointments; this was particularly pertinent to the Committee's consideration of the need for increasing flexibility in contractual arrangements.

13. Important steps forward in a number of areas were made; these are reported on in more detail in the relevant sections of this report. They include:

- C a first statement on the introduction of performance awards and bonuses; this includes a set of parameters within which organizations - within their own performance management systems and subject to their individual capabilities - might develop performance awards (see para. 52);
- C an initial step on the path of introducing competency (or functional) differentials (see paras. 33-36);
- C a new provision under which absences resulting from family-related emergencies may be charged to uncertified sick leave provisions (see para. 111);

14. As appropriate, each of these elements would be reported to ACC, ICSC and the governing bodies of the organizations.

¹ ACC/1997/PER/R.2: The framework on which new approaches will be based. The international civil service by the year 2001.

ACC/1997/PER/R.3: The changing organizational landscape: The need for increased flexibility in United Nations conditions of employment.

ACC/1997/PER/R.4: Core common system issues.

ACC/1997/PER/R.5: Framework for distinguishing between core and non-core functions in an organization.

ACC/1997/PER/R.7: Occupational pay rates in the context of more flexible pay systems.

15. In addition, the Committee considered that it would be appropriate and opportune to put forward a draft policy statement on the reform of human resources management within the overall context of UN system reform to ACC's second regular session. This statement should reaffirm the framework within which human resources management reforms were being pursued - namely that of preserving the international civil service and the Charter principles upon which the civil service was founded. It would also, to the extent possible, provide pointers or indicators to help identify what human management reforms were needed in the UN common system.

16. A draft text would be prepared for the Committee's eighty-seventh session.

17. In the course of discussions, the organizations also considered in what further areas increased pragmatism and flexibility might be introduced into the common system and, in particular, the management of human resources of that system.

18. Three areas were identified for further review by the CCAQ secretariat in which such flexibility might be entertained. These were:

- (a) the structure of systems (pay, classification, contracts, etc.);
- (b) strategies for attracting, retaining and rewarding staff, including performance-related awards (competency differentials), recruitment and relocation bonuses or incentives;
- (c) streamlining and simplifying administrative processes.

19. Evidently, the role of ICSC in the elaboration of such greater flexibilities was also key. In this context, the Committee acknowledged that ICSC had an important role to play in developing concepts, establishing principles and defining parameters within which flexibilities could be implemented with the authority of the governing bodies and/or the executive heads of individual organizations.

20. Another area in which the Committee was only able to take a first step was that of differentiating the core and non-core functions within organizations. This was topical to the extent that one governing body has already requested that this matter be urgently pursued.

21. The secretariat had developed some pointers to the determination of core functions; the Committee wished, however, to see further work undertaken by the secretariat to refine these proposals; it would therefore revert to this matter at its eighty-seventh session.

[This matter will also be pursued in the context of discussions scheduled to take place at ICSC's summer 1997 session. In this context, in the course of an intervention at the opening of ICSC's forty-fifth session, CCAQ had requested that a day be set aside immediately before the summer 1997 session for an informal exchange of views on the way the common system could be made more responsive to organizational needs.]

22. In the meantime, it acknowledged that the process of differentiating an organization's staffing needs would of necessity have to be grounded in detailed organizational and human resources planning based on an organization's current and future work programme, the determination of skills required to implement the programme and, consequently, the right number and kinds of staff and the contractual arrangements needed for their employment. The focus would be on what the business of the organization was now and would be in the future; such an organizational analysis would reflect

inter alia the need for ongoing institutional competency balanced against the need to keep up with technological advance and the need to inject new talent.

Competitivity of Professional remuneration

(a) The comparator

23. CCAQ took note of the information provided by its secretariat in ACC/1997/PER/R.6 in respect of the application of the Noblemaire principle.

24. CCAQ noted further that:

C the General Assembly had repeatedly reconfirmed the application of the Noblemaire principle as the basis for the determination of salaries at the Professional and higher levels;

C in 1995 and 1996, the General Assembly had also reaffirmed the need to continue to ensure the competitiveness of United Nations common system conditions of service;

C ICSC had reported to the General Assembly on two occasions and most recently in June 1996 that, based on its technical evaluation conducted in accordance with the approved methodology, the total compensation levels of the German federal civil service were superior to those of the current comparator (the US federal civil service);

C ICSC had however not suggested to the General Assembly how their findings should be interpreted in terms of the application of the Noblemaire principle;

C by its resolution 51/216, the General Assembly had decided, for its part, that it would consider the question of the comparator civil service again at its fifty-second session in 1997 in the light of information received on the competitiveness of the German civil service.

25. Updated information provided to CCAQ confirmed that:

(a) the margin between UN and US remuneration levels was expected to be in the region of 115 in 1997 (the margin level would be more accurately determined for ICSC's July 1997 session); and

(b) as a result of the UNGA's decision not to approve changes in the margin management calculation, the gap between the compensation levels of the German and US civil services (which were being monitored by the ICSC secretariat) was about 12 per cent. An updated calculation of the exact gap would be presented to the Commission at its summer (July 1997) session.

26. In the light of the findings in respect of the German civil service, CCAQ considered the relative merits of recommending (a) a change of comparator or (b) that the issue be addressed through modification of the margin range.

27. In this connection, CCAQ recalled that in June 1996, the Commission had reported to the General Assembly that notwithstanding "its conviction regarding the superior position of the German civil service in total compensation terms and the applicability of the approved methodology ... (it) did not consider that it was opportune to recommend a change of comparator for the following reasons:

- (i) The actual process of changing comparators was a complex one, with implications for pensions, the currency of record, the location of the base of the United Nations remuneration system and related issues;
- (ii) The superiority of the total compensation levels of the German civil service might not be maintained over time. It was for this reason, *inter alia*, that the Commission had recommended and was again recommending that the situation should be monitored.”²

28. Taking into account the complexity of changing comparators, CCAQ concluded that it would be appropriate to use the margin mechanism as the vehicle of application of the Noblemaire principle in respect of the current findings as to the level of remuneration of the German civil service. In this regard, CCAQ recalled that the remuneration levels of the Bretton Woods Institutions and other international organizations were up to some 30 per cent higher than those of the German civil service.

29. Since ICSC had announced that it did not intend to reopen this matter in 1997, CCAQ decided that it would report these findings to ACC and recommend that ACC request the General Assembly to revise the margin range from the current 110 to 120 level to 120 to 130 on the assumption that the gap between the US and German civil services would remain in excess of 10 per cent through 1997.

30. It would also inform ICSC of its intention and ask the Commission to continue to provide appropriate technical input in respect of the US and German pay levels.

(b) Occupational pay rates (competency differentials)

31. CCAQ noted the historical survey of occupational pay rates and special pay rates contained in the note prepared by its secretariat (ACC/1997/PER/R.7). It noted further that the General Assembly had repeatedly referred to the introduction of occupational pay rates in the common system, most recently in resolution 51/216 (1996). It recalled that, in the past, the Committee did not share the same view on the possible introduction of such pay rates and acknowledged that the concerns advanced at earlier sessions as reported in the note remained largely valid. Nevertheless, it was evident that, for their part, the Member States were unconvinced by the organizations’ arguments regarding the inadvisability of introducing occupational pay rates. At the same time, there appeared to be increasing understanding of the individual needs of the organizations and for the introduction of greater flexibility in the common system.

32. CCAQ upheld the Noblemaire principle as the fundamental basis for determining common system remuneration. The Committee recognized, however, that the need to contemplate the introduction of occupational rates arose because the Noblemaire principle was not being applied. The further consideration of the appropriateness of occupational rates could take the form of pilot projects in selected organizations. It was largely opposed, however, to the introduction of special agency rates, notwithstanding the continuing interest of a few organizations therein.

33. In previous discussions on special occupational rates, emphasis had been laid on the link between such rates and occupational groups as identified through the Common Classification of Occupational Groups (CCOG). CCAQ considered that the determination of the jobs to which such

² Addendum to Supplement No. 30, A/50/30, 20 June 1996.

rates should be applied had to be less occupation specific and more related to the competencies required to do the job in question. It would indeed prefer that the name applied to these rates be revised to that of competency (or function-based) differential.

34. For the highly specialized fields of work, such a competency differential could be used to attract and retain highly qualified specialists who would bring credibility to the functions they were required to perform. Competency differentials would be determined by the agency concerned, taking account of the need to satisfy two concurrent requirements, i.e. (i) the educational level required by the incumbent of the post and (ii) the ongoing application of this level of competence to the post in question. The competency differential would thus only be payable to a staff member if the high level of specialization were required to carry out the specialized functions in the organization.

35. Organizations proposing to move forward in this area would work to define more precisely the criteria on which competency differentials could be based. They foresaw that such allowances would be payable to a relatively small percentage of the workforce.

36. As to the amount of the differential itself, it was agreed that ICSC be invited to look into this matter with all urgency in order to provide an indication of the relevant market pay levels applicable to the highly specialized occupations which would be reported to them by the organizations. ITU had in fact already completed an initial formulation of the criteria it proposed to apply and had requested ICSC to assist in the determination of the differential.

37. Further information about developmental work being carried out by the organizations concerned would be provided to the Committee at its eighty-seventh (July 1997) session.

(c) Use of retirees

38. The Committee took note of the information contained in CCAQ(PER)/86th/INF.3 in respect of the use of retirees. It confirmed that policy determinations in respect of the recruitment and use of retirees remained the prerogative of the organizations. It requested its secretariat to circulate the complete summary of responses to the questionnaire distributed earlier in the year as soon as all replies were received.

(d) Expatriate elements of the margin

39. CCAQ took note of the historical review of the manner in which expatriation and subsequently the expatriate element in the margin had been treated since the inception of the League of Nations in 1921 (CCAQ(PER)/86th/INF.4).

40. The secretariat's information note referred to the distinction between the concepts of expatriation and mobility and to the reality that expatriation in a legal and sometimes a socio-cultural context generally remained unaffected by the length of stay at any particular location. Indeed, in many instances, the difficulties resulting from expatriation increased over time.

41. CCAQ decided to ask its secretariat to develop its considerations of these issues - and to cooperate with the ICSC secretariat therein - in preparation for discussion of the matter at ICSC's 1998 sessions when ICSC would also prepare a response to the request of the General Assembly on the question of the expatriate elements of the margin.

42. Among the issues on which it invited the secretariat to report back were:
- (a) the factors (as currently defined or expanded) which should be reflected in the margin;
 - (b) the proportion of the margin which is deemed to meet expatriation;
 - (c) the benefits and services not available to employees and their families working outside their national setting;
 - (d) an attitude survey of common system staff on the ramifications of their expatriation;
 - (e) consideration of the financial obligations of internationally-recruited staff in their home countries over the course of their career;
 - (f) an analysis of selected national legislation relating to the rights, benefits and services maintained or relinquished by an individual who resided outside his or her home country (i.e. in an expatriate status).

Performance management - performance awards and bonuses

43. By its resolution 51/216, the General Assembly had requested the UN Secretary-General and invited the executive heads of the other organizations of the common system, as a priority, to develop proposals on the possibility of introducing performance awards or bonuses, in the context of the performance appraisal system.
44. The organizations were looking to develop proposals for the introduction of awards for performance which could be tailored to their individual organizational needs and priorities. They were not looking at a monolithic approach, but at the development of a framework or a blueprint which would maintain common system parameters and hence ensure inter-agency coherence whilst allowing for flexibility within these parameters.
45. CCAQ had given considerable thought and time to the development of its response to the General Assembly's request through two "brainstorming" sessions held in January and March 1997.
46. The Committee emphasized that the introduction of performance awards and bonuses had to be viewed in the context of many efforts being taken across the system to improve overall organizational performance. The linkage of performance management with overall managerial effectiveness was increasingly recognized. Together with other organizational reform initiatives, organizations attached considerable priority to the improvement of their performance management systems. The documentation provided by the ICSC secretariat attested to the fact that considerable strides had been achieved.
47. Organizations appreciated and had benefited from the work of the ICSC secretariat in providing information on approaches and descriptions of best practice in the development of their performance management systems; they welcomed future work and additional models to support their continuing efforts.
48. The Committee was well aware of the fact that effective performance management involved achieving a balance between appropriate incentives and rewards for good performance and the management of under-performance. Organizations were mindful of the importance of performance

recognition as a management tool to improve productivity and morale. They were also committed to dealing more vigorously with under-performance through the provision of additional feedback, coaching and training and development initiatives and, when these failed, through existing sanctions ranging from delaying or withholding within grade increments to termination for unsatisfactory performance.

49. In the context of introducing performance awards or bonuses, CCAQ emphasized that:

(a) the development of proposals for rewarding performance should not detract from on-going efforts to ensure fair and adequate compensation and salary levels and conditions of service that were competitive and permitted organizations to attract and retain staff of the highest calibre.

(b) the starting point for the designation of any performance award had to be an effective system for differentiating levels of performance. Performance appraisal systems were, however, at very different stages of development in different organizations. Nor were they always perceived as being as objective as would be desirable for the designation of performance awards. As a first step, therefore, each organization had, of necessity, to ensure that its performance appraisal and other systems were generally perceived to be objective, fair and viable management tools. This meant that prior to implementation of any rewards arrangements, existing performance management schemes might need to be refined or supplemented by other measures in order to make them viable for the designation of performance awards which were perceived as fair and equitable;

(c) within common system parameters, approaches should be flexible and tailored to meet organizational needs.

50. CCAQ reiterated its endorsement of the principles relating to performance management promulgated by ICSC in 1994 (ref. Annex VIII of A/49/30). CCAQ considered nevertheless that the framework and guidelines for recognition and award programmes recommended by the Commission were unduly prescriptive and restrictive, especially in the current context of broader reforms and the different needs of the organizations of the common system.

51. A number of organizations were not yet in a position to introduce financial incentives and awards; some others wished to proceed cautiously in this direction. There was the need to chart a course or approach against which individual organization's efforts might be appropriately directed. In developing this new approach, the Committee recognized that certain guarantees must be the corollary to granting greater flexibility to organizations so that they might tailor their systems to their individual needs. To this end, CCAQ considered that:

(a) the principles and parameters governing performance awards had to respect the differences between organizations in terms of mandates, structures, constraints (inter alia financial and cultural) and, in particular, the different stages of evolution of their performance management systems. In short, one size would not fit all;

(b) at the same time, accountability to the various stakeholders had to be ensured. Organizations' governing bodies needed to be assured that schemes were managed within the resources available and differentiated according to levels of contribution to organizational performance. Staff needed guarantees that systems would be developed in full consultation and would take due account of their concerns for fair and equitable treatment. The Commission needed to be assured that its recognition of the need for flexibility was compatible with its oversight responsibilities.

52. Specifically, therefore, the Committee proposed the following parameters for the development of performance awards:

(a) organizations would be guided by experience gained by those organizations having introduced cash and non cash rewards for performance - both for individuals and teams - within and outside the UN system;

(b) assurances would be provided to the General Assembly and organizations' individual governing bodies on the scope of coverage and overall costs of such schemes;

(c) among the approaches identified as compatible with the above factors which organizations might consider were (i) individual lump sum bonuses and/or group or team incentives as an add-on to the existing salary structure, (ii) managing pay within the current min/max salary range according to performance, (iii) piloting a separate approach such as for managerial levels to be placed on performance pay along the lines of schemes developed by a number of national civil services;

(d) overall costs of schemes should be kept within resources made available. Depending on organizations' needs and constraints, resources might be mobilized through a variety of approaches such as calibrating the frequency and/or proportion of step increments, replacing current step increments with a salary range through which movement would be based solely on level of performance, efficiency gains, turnover savings and, in some cases, additional appropriations;

(e) monitoring systems would be devised to measure carefully the effectiveness of the operation of the schemes.

Conditions of service of the General Service and other locally recruited categories

- (a) Methodology for surveys of best prevailing conditions of employment at Headquarters and Non-Headquarters duty stations

53. CCAQ had actively participated in the Working Group on General Service Salary Survey Methodologies. The reports of the Working Group, contained in documents ICSC/45/R.5, R.6 and R.7 provided a detailed summary of the deliberations of the Working Group and its conclusions. The Working Group had substantively addressed all the issues raised (a) by the General Assembly, (b) by organizations in the context of salary surveys carried out during the last round at Headquarters and Non-Headquarters duty stations and (c) by the representatives of staff.

54. The underlying foundation of both Headquarters and Non-Headquarters methodologies was the Flemming Principle. While the intent of the Flemming principle to reflect conditions of service for locally-recruited staff against the best prevailing conditions found in the local labour market had remained constant since it was first enunciated, the labour markets themselves and the organizations' capacity to measure these markets had continually evolved. The inclusion of a large number of private sector employers in the measurement of local labour markets was, however, not an objective per se of the Flemming principle, but rather the consequence of its application to local conditions.

55. The Working Group had been guided by the General Assembly which, in resolution 51/216, had expressed the need to ensure representation of the public sector among comparator employers. Whether mandatory representation of the public sector was consistent with the focus of the Flemming principle was a matter of discussion. The Committee was nevertheless firmly of the view

that the credibility of UN salaries for locally recruited staff was enhanced by the inclusion of public sector employers among the comparators. In this context, it noted that, in almost every survey, employers were already drawn from the public and non-profit sectors. Moreover, the Committee emphasized that national civil services might often not be competitive employers in the local labour market; in some instances, there might be other serious difficulties in obtaining their cooperation or their working practices.

56. It was important to note that the definition of the public sector had been broadly drawn. It did not mean that in all surveys the national civil service must be surveyed and retained; public sector employers could also be drawn from the embassy community, other international organizations, and could include central banks, parastatal employers, NGOs, educational institutions and foundations.

57. Of equal importance, as reaffirmed by the Working Group, was that an employer, any employer, included in the salary comparison had to be well structured and able to provide reliable salary data. This insistence that employers, regardless of sectoral representation, possess the requisite features to support consistent job and salary comparisons re-enforced the substantive validity of the survey process.

58. From experience in both Headquarters and Non-Headquarters surveys, it was not only possible but also highly desirable to include a cross-section of the public/non-profit sector of the labour market in the process. These employers presented salary structures and job comparisons which were comparable with the UN General Service and National Officer categories. In fact, in all Headquarters surveys and in the vast majority of Non-Headquarters surveys, these employers were already retained.

59. The Committee fully supported the Working Group's conclusion that any overlap between GS and P salaries did not of itself indicate a flaw in either the Noblemaire or the Flemming principles nor of inconsistency in their application. A certain amount of overlap was normal; nor was such overlap unique to the United Nations system. Volatile exchange rates also affected comparisons between Professional and General Service pay levels. Moreover, General Service salary scales reflected the overall conditions of service in a given locality. The Professional salary scales only reflected the basic salary of the comparator; they were not influenced by local conditions, fringe benefits or allowances. Comparisons based purely on salary levels were therefore unfair.

60. Important refinements which supported greater convergence between the Headquarters and Non-Headquarters methodologies included:

- C consistent definition of labour market sectors;
- C uniform criteria for sectoral representation of employers (i.e. a minimum of 25 per cent of retained employers should be from publicly funded organizations, no more than 25 percent from any single economic sector of the private sector);
- C uniform criteria on employee utilization for quantification of in-kind benefits;
- C uniform criteria for establishment of effective dates.

61. With respect to the Headquarters methodology, the Working Group had affirmed the importance of the transparency of the process and the active participation of all parties, particularly in the preparatory phase. The Committee endorsed these findings and also endorsed the call for a

systematic and comprehensive training programme for Headquarters Local Salary Survey Committees as a key element in improving the survey process. It also looked forward to testing in the next round of Headquarters surveys the comparison between the current use of average salaries as opposed to the alternative use of minima/maxima data in the analysis of Headquarters local markets. Only through a systematic analysis of these two approaches could meaningful conclusions be drawn as to the validity of either method.

62. With respect to the Non-Headquarters methodology, the proposals put forward by CCAQ which the Working Group had endorsed reflected the cumulative experience gained by the organizations in the conduct of more than 350 comprehensive and interim salary surveys since 1993.

63. The designation of three categories of duty stations where either five, seven or 12 employers would be retained in the comparison of average salary data would provide greater equity among duty stations with labour markets of varying degrees of sophistication. Developments in the process of conducting salary surveys had strengthened the capacity of the system to collect a wider range of employer data. The refinements recommended with respect to the categorization of duty stations for employer retention reflected this development.

64. With some refinements, the Committee supported the recommendations of the Working Group and reported these to ICSC in its statement on the matter.

(b) Non-pensionable component (NPC)

65. Approximately 70 Non-Headquarters locations had a non-pensionable component of salary established for the General Service and/or National Professional Officer category; at 26 of these, the NPC was capped at 25 per cent of the total salary - the maximum NPC amount. Decisions of the past regarding the ceiling on the non-pensionable component had relied on the exercise of judgement and recognition of the need for balance.

66. The Committee confirmed that the main criteria for the determination of pensionability of net salary should be that of the regularity, recurrence and predictability of benefits and allowances paid to employees in cash.

67. The Committee supported the proposal to develop a list of remuneration elements commonly found in surveyed employers which were paid in cash in order to further define the determination of the pensionability of a remuneration element. The variety and scope of employer benefits/payments was an ever changing parameter and would thus require continuous monitoring.

68. The Committee agreed with the proposal to reduce the NPC ceiling from the current amount of 25 per cent to 20 per cent of net salary and for Headquarters and Non-Headquarters locations to set the threshold for the establishment of NPC equal to 10 per cent of total net remuneration. Noting that those duty stations with a large NPC currently would benefit from a reduction of the ceiling since a lesser proportion of income would be considered non-pensionable, CCAQ understood that these recommendations resulted from the effort to achieve a more balanced approach.

69. Normal transitional measures should be introduced to maintain existing gross pensionable salaries if the new remuneration levels were found to be lower as a result of the aforementioned modifications.

(c) Review of the basis for the dependent children's allowance

70. The Committee wished to recall that the determination of the level of the children's allowance was not a part of the General Service salary survey methodology; this allowance had been established and was paid by the organizations as a social benefit. The Committee noted that, in some countries, the allowance paid by the UN organizations to General Service staff could sometimes be significantly higher than would be justified based on outside local conditions.

71. While such anomalies were unfortunate, the Committee emphasized that the UN organizations' social policy considerations required that the establishment of the floor formula continue to be based on the average practice of a large number of countries, including both non-headquarters and headquarters locations. This matter should not, however, be incorporated into the methodology, but should continue to be treated separately and be viewed in the light of the social policies of the organization. In updating the formula to reflect average practices, the Committee noted that the floor would be reduced from its current 3 per cent level to 2.5 per cent.

(d) Schedule for the next round of surveys of best prevailing conditions of employment at Headquarters duty stations

72. This matter was dealt with on a bilateral basis between the ICSC secretariat and organizations at individual duty stations.

Post adjustment matters

(a) Report of ACPAQ

73. The Committee considered ACPAQ's report on the basis of the conclusions reached in four areas:

(i) Section III: Time-to-time updating of the housing component of the post adjustment indices for headquarters and other group 2 duty stations

74. Of the five recommendations contained in the report, the Committee supported those related to movement of rents. It also agreed with the recommendation in respect of rent data in London.

75. The recommendation relating to weights for dwelling types and residency patterns raised a number of issues. The use of external housing data helped to ensure that some of the pitfalls encountered when trying to collect housing data from staff members - notably the so-called poverty trap - were largely eliminated. Nevertheless, the use of external housing data was not without its own peculiarities. First, the housing areas selected by those who collected the data might be different from the areas in which UN staff were residing. Second, the use of weights for different dwelling sizes was mainly based on Brussels - the base of the consultant's (IOS) system - which had its own housing peculiarities; this might lead to some imbalance as compared with the actual situation of UN staff. Third, changing patterns of employment - the increasing use of shorter term contracts - might not be concordant with the assumptions, in terms of the distribution of rents over time, used by those collecting external data. CCAQ hoped that, to the extent possible, the consultants providing external data would make every effort to collect rent data which was closely related to the areas in which UN staff were living.

76. The Committee also decided to ask the Commission to look into the increasingly common phenomenon of the use of external data in those circumstances where, for a number of years, rents continued to go down; this was currently the case in a number of European locations.

77. The use of a reducing rent index had led to the assumption that staff members would “buy” less expensive accommodation in the same way as they would buy any other item of consumption. But, accommodation was not purchased in the local supermarket. To “buy” less expensive accommodation implied moving from one dwelling to another with all the consequent upheaval and expense of which no account could be taken in the formula.

(ii) Section IV: The constellation method as applied by other international organizations

78. CCAQ had nothing to add to the recommendations contained in the report.

(iii) Section V: Rental subsidy thresholds at headquarters duty stations

79. The Committee was grateful for the manner in which ACPAQ had responded to the concerns raised in respect of the management of rental subsidy thresholds in situations where rents were declining. The ad hoc solution recommended by ACPAQ was fully supported.

80. At the same time, CCAQ decided to ask the Commission to undertake for its July session, a review of the basic principles and elements of the rental subsidy scheme, taking into account its primary purpose as requested by ACPAQ.

(iv) Section VI: Post adjustment at the base of the system

81. Two basic alternatives for changing the management of the post adjustment at the base of the system were presented in document ICSC/45/R.3, namely: (i) having no post adjustment at all in New York (i.e. setting New York post adjustment at zero) or (ii) adjusting salaries in New York through a mechanism other than the normal operation of the post adjustment system. The Committee endorsed the conclusions reached by ACPAQ that the presentation of the advantages and disadvantages of changing the existing system of operating post adjustment at the base would be enhanced by a clearer presentation.

82. Moreover, the alternatives suggested by the Commission secretariat would lead either (a) to significant additional costs as a result of bringing all locations below the current New York post adjustment level up to that level or (b) to a complex breakdown of the system itself.

83. In CCAQ's view, the concern to control the operation of the post adjustment system, which might have led the General Assembly to put forward its request to study this matter, was fully maintained through the current arrangements for the management of the margin. Moreover, in accordance with Article 11 of the ICSC Statute, ICSC was responsible for establishing “the classification of duty stations for the purpose of applying post adjustments”. To replace the Commission's authority by that of the General Assembly would appear to require a change to the Statute.

(b) Construction of a single post adjustment for Geneva

84. The Committee noted that a series of questions on this matter had been raised by members of the Commission and by the organizations in 1995; these remained unanswered. They related to:

- < the entitlements provided for in the staff regulations and rules which were based on the notion of a duty station and not on the notion of the “statistical area of a duty station”;
- < the fact that each organization had signed a headquarters agreement with the host country government which ensured the right of residence to anybody employed by the organization. Such agreements existed with Switzerland and not with France. This implied that certain nationalities had no right or had serious difficulties in residing in France;
- < the consequences for the gap between GS and P salary levels;
- < the effect on the “Washington formula”.

85. These basic questions had to be responded to before any account could be taken of the technical considerations which were before ACPAQ and which had been reported on in document ICSC/45/R.4/Add.1.

86. The organizations, while willing as always to encourage staff to participate in all forms of COL surveys and to foster cooperation, should not nor could not replace staff in the selection of “outlets”, weighting patterns or the list of available items. The prescription used in similar circumstances in other locations had been to resort to data “from other sources”.

87. Discussion with the consultants retained to assist with the technical aspects of this matter had highlighted yet again the legal questions which would have first to be answered before embarking on further work. In response to questions as to how an index could be constructed to accommodate those staff working in Geneva who, by virtue of their nationality, could not reside or have any access to the surrounding French area, the consultants had stated in ACPAQ that it would be necessary to construct two indices - one for those who had access to the surrounding French area, one for those who did not. This could result in creating an index and, in consequence, a pay level based on nationality which would be wholly in contradiction with the fundamental principle on which common system remuneration was based.

88. Other concerns, for example, for the applicability of the Geneva post adjustment index to other duty stations in Switzerland, rental subsidy thresholds, the construction of the out-of-area index and the potential for double counting therein, issues related to different types of residency permits, the question of the weights attributed to medical insurance contributions, the costs of visas and other taxes all plagued the issue both from a technical and potentially a legal standpoint.

89. Moreover, the question of comparing housing charges between New York and Geneva, a point which had not been covered by the consultant, had shown that it might not be possible to ensure full consistency with the present post adjustment system. The solution proposed, with which some organizations had problems, was modelled on the approach followed by the external source of data for New York, but not with what was done in other headquarters duty stations.

90. ACPAQ’s assumption that staff living in France purchased 100 per cent goods and services in that country also ran counter to the Commission’s conclusion in 1995 that “ICSC needed to determine the actual expenditure of staff members at any given duty station; that depended on where they actually made their purchases and not on the abstract definition of the duty station”.

91. Those organizations, whether Geneva based or not, which were bound by the ILO Administrative Tribunal, expressed their most grave concern for the position in which their executive heads were being placed. As a result of ILO Administrative Tribunal judgements 1265 and 1266, the executive heads were required to attest to the lawfulness of decisions before implementing them. One Director-General had already informed the governing body of his organization that he reserved his position on the matter.

92. What was now additionally of concern was the fact that the constructive technical observations of a reliable consultant had been modified into a new formula for the determination of a single post adjustment index which left unanswered both the legal and technical issues. Before any further action was taken on this matter all the outstanding legal questions and concerns had to be taken into account. No technically sound methodology could be developed without the legal issues also being addressed. Otherwise, extended - and expensive - litigation would result.

[At its forty-fifth session, ICSC decided that the Chairman of ACPAQ and the ICSC secretariat should consult with organizations and staff in Geneva to obtain their views and comments on all viable options which would be responsive to the General Assembly's request as well as on the legal, technical and administrative issues related to the methodology and to implementation.]

Education grant: Review of the methodology for determining the level of the grant

93. The Committee expressed its appreciation for the analysis of the methodology presented in ICSC/45/R.10 and ICSC/45/CRP.5. It concurred with the broad conclusions of the review, and in particular the affirmation that the methodology as a whole functioned adequately. Nonetheless, in certain areas some improvements were desirable. The sustained efforts organizations had made to provide full and complete claim data for the biennial reviews of the level of the grant had been instrumental in assuring the approval of increases in levels.

(i) Allowable items of expenditure

94. Already in 1990, CCAQ, based on a study conducted by its secretariat, had noted some disparities in organizations' practices in respect of allowable and non-allowable expenses. A number of organizations had made efforts to assure greater harmonization. While noting that the discrepancies were not major in nature, CCAQ intended nevertheless to survey organizations with a view to ascertaining the extent and nature of such discrepancies and whether further harmonization was desirable.

(ii) Expansion of the collection of fee data

95. While in past reviews fee data have been presented to ICSC only for schools at headquarters duty stations, fee data on schools in the US\$/outside the USA currency area were available. The Committee supported the proposal that school fees be collected at the secondary level in duty stations in the US\$/outside the USA area where large numbers of international staff educated their children.

(iii) Capital assessment fees

96. The Committee recalled that in conjunction with its discussion of problems relating to the level of the education grant for Beijing (China) at its eighty-fourth session, it had reaffirmed the

approach used by organizations to reimburse the one-time building fee levied by schools, namely to advance to the institution or, if this were not possible, to the staff members in question, the equivalent of the building fee on an interest-free loan basis.

97. In cases where such fees were not reimbursable and would result in severe financial hardship for staff members, the Committee supported the proposal that (i) the organizations and staff share the cost of these one-time fees on the same basis as allowable expenses and (ii) in the event that such an arrangement resulted in expenditures beyond the MAE, the Chairman of ICSC might exceptionally increase the level of the MAE at the request of the organizations at the duty station in question.

(iv) Boarding element

98. At its eighty-fifth session in 1996, the Committee had expressed a number of concerns about the flat rate, not least that of maintaining its “reasonableness” in those currencies for which no increase in the MAE had been proposed. CCAQ had deferred consideration of an alternative adjustment mechanism pending the current review of the methodology. The Committee therefore fully supported the proposal to adjust the flat rate by the movement of the relevant CPI’s for the currency areas. For those currency areas which had not been adjusted since 1990, the flat rates had been severely eroded. It decided therefore to request the Commission to review the adequacy of the flat rates in these currency areas.

99. The Committee considered that, in cases where boarding was not provided by the school or university, but rather by a separate boarding institution certified by the school, the amount of the grant should equal 75 per cent of the total sum of expenses for attendance and for boarding provided by the separate boarding institution, up to the respective maximum admissible levels.

100. The Committee considered that the arguments put forward in ICSC/45/R.10, which concluded that such an arrangement would create inequity, were fallacious as they were based on an assumption that in such instances officials would benefit from low tuition fees. Inequity arose when the full cost of boarding was taken into account when billed by the educational institution providing boarding but was not taken into account when it was provided by a separate boarding institution certified by the school or university. The current limitation favoured those attending schools in countries with the long-standing practice of associating boarding and education in the same establishment and disadvantaged those in countries where the practice was to provide boarding in a “foyer”.

(v) Boarding element at designated duty stations

101. For eligible staff serving at designated duty stations where educational facilities were not available or were deemed inadequate, it had generally been felt that the entitlement to an additional amount to support boarding expenses in respect of children attending schools at the primary and secondary levels was warranted because of the lack of choice and the obligation for those staff members to send their children away from the duty station to be educated.

102. Based on CCAQ’s proposal, the Commission at its forty-fourth session had agreed that the normal flat rate would apply for those currency areas where this additional amount had fallen below the corresponding amount of normal flat rate. In order to resolve future cases and to ensure orderly adjustment, the Committee supported (i) a realignment of the additional flat rate in those cases where the 1989 relationship between it and the normal flat rate had substantially changed and (ii) an adjustment of the levels of the additional flat rate on the same date and by the same percentage as the

normal flat rate. It noted that the additional costs associated with such measures would be insignificant.

(vi) Adjustment process

103. The issue of the adequacy of the sample for triggering increases had been a preoccupation of the Committee in each of the three reviews of the level of the grant in 1992, 1994 and 1996.

104. In currency areas with a small number of claims, the trigger point of 5 per cent tended to be more easily reached than in currency areas with a much larger number of claims (such as the Swiss Franc and US\$ areas). Two approaches were suggested in the ICSC secretariat's paper to deal with this phenomenon as well as to respond to organizations' call for simplification: (i) merging currency areas where the number of claims or the number of internationally recruited staff at the location were below a certain number (i.e. 50); or (ii) setting the trigger point for these areas at a higher level.

105. The Committee considered alternative (ii) to be the more acceptable approach; alternative (i) would be unstable and present greater difficulties if those currency areas with few claims were to be merged in the US\$/outside the USA area. It therefore proposed to set the trigger to 10 per cent in those currency areas in which the number of claims was less than 100.

(vii) Currency of payment of education grant (advances and claims)

106. CCAQ had striven for and attained greater harmonization of practices in this area. Nevertheless, problems still remained with the accounting practices and procedures of two organizations. The Committee would continue to strive for the resolution of the matter.

(viii) Other issues

107. In order to respond appropriately to situations at certain duty stations where the current level of the education grant was deemed to be inadequate, the Committee would reiterate its request that the Chairman of ICSC be authorized to approve a special measure akin to the approach which had been approved for Beijing.

108. The Committee decided that it should strive over the next two years to work towards a simplification of the education grant. The education grant was one of the more complex and "process-intensive" entitlements for the organizations to administer. There might be room for simplification especially since organizations were under ever increasing pressure to find new approaches that would result in reducing costs associated with administrative processes.

Work/family agenda: family leave

109. The Committee recalled that at its eighty-second session in 1995, it had undertaken its first global discussion of work/family issues.

110. The Committee had recognized at that time the merit in providing some form of paid leave which would enable staff members to meet unforeseen family-related emergencies. A number of organizations had considered that the current seven-day provision for uncertified sick leave should be expanded in its usage to cover family-related reasons; others had felt that such situations could best be handled through their provisions governing special leave with pay. The Committee had been unable to reach a consensus on the matter and had requested its secretariat to prepare a proposal for a

future session on a common approach, including appropriate legislative revisions. The secretariat's note contained in ACC/1997/PER/R.9 was intended to respond to that request.

111. In reconsidering the issue and in the light of the growing number of public and private sector practices in the area, the Committee agreed to incorporate, as appropriate, in organizations' rules or other administrative provisions, a text along the following lines:

“Within the current provisions for uncertified sick leave, a staff member may charge absences resulting from family-related emergencies.”

“A staff member appointed for a period of less than one year (and paid on a monthly basis) may similarly charge absences resulting from sudden family related emergencies within the limits of and proportionate to the amount of uncertified sick leave of the appointment.”

Organizations would be at liberty to revise this suggested text to meet their needs.

112. It was noted that this provision would be administered in the same way as uncertified sick leave and that it would not increase current overall entitlements.

CCAQ matters

(a) Programme budget for 1998-1999

113. The Committee reviewed the proposed programme budget for the forthcoming biennium contained in ACC/1997/PER/R.10. The budget proposal had been reviewed by CCAQ(FB) at its eighty-sixth session (February 1997). The proposed programme budget was lower than the resource guidance target recommended by ACC. CCAQ(FB) had noted that the secretariat had already made considerable reductions in the revised budget for 1996-1997 compared to the original approved budget and that one general service post had been eliminated from the proposed budget for 1998-1999.

114. The Committee took note of the remarks of CCAQ(FB) and of the information provided on the numerous initiatives undertaken by its secretariat to contain costs such as the use of video-conferencing. It also noted that savings were expected to result from the co-location of the Consultative Committee on Programme and Operational Questions (CCPOQ) with the CCAQ secretariat.

115. Recognizing the frugal approach which had been taken, which contrasted favourably with other inter-agency bodies outside the ACC machinery, the Committee expressed its satisfaction with the programme and budget. The Committee considered that its secretariat provided services of the highest quality at low cost and had undertaken cost-cutting initiatives which were beneficial across the system inter alia by reducing (a) time spent in meetings and (b) the costs of travel.

116. Reconfirming its earlier decisions aimed at raising supplementary resources, such as the assessment of contributions from 'guest' organizations, in order to enhance the secretariat's capacity to undertake additional work at no extra cost to member organizations, the Committee felt that it would be useful to raise this matter at a future meeting of CCAQ of the whole. Members of the Committee agreed also to make these views known to the colleagues in CCAQ(FB) and CCAQ of the whole.

117. It was also apparent that, given the limited overall level of the budget, it would not be possible to make further cuts in the future without hampering the work of the secretariat.

(b) Centralizing/pooling resources at the inter-agency level

118. In its note "Centralizing/pooling resources at the inter-agency level" (ACC/1997/PER/R.11), the secretariat had suggested that thought be given to the feasibility of expanding inter-agency collaboration through the provision of more centralized services. Most organizations were being called upon to slim down their administrative costs. The secretariat considered that, for certain processing functions, such as benefits administration, which required an intimate knowledge of rules and approaches unique but common to all UN organizations, economies of scale in one form or another might be derived from a centralized approach. The secretariat suggested that a shared delivery approach could be of value and might be tried as a prototype, for example, for the processing of education grant claims.

119. The Committee held an extensive discussion during which a large range of views was expressed. The secretariat's initiative in presenting a provocative proposal was appreciated both in the context of the calls for greater administrative efficiency and the efforts to develop new approaches to human resources management. Many organizations were seeking to institute reforms precisely in the area of streamlining administrative processes. Some members felt that the secretariat's proposal should be further developed; others feared that a shared delivery approach would not result in savings, but in a significant loss of organizational control and a depersonalized service for staff.

120. In light of the number of positive local experiences in sharing services by the Vienna-based organizations as well as by UNDP, UNFPA and a number of other field-based organizations, it was agreed that such cooperation and collaboration should be extended wherever benefits could be expected to accrue. The secretariat was requested to continue to study approaches and to document experiences across the system in order that a reappraisal of the matter could be undertaken at a future session; the study should also seek to define more clearly the different concepts, as well as the advantages and disadvantages of different approaches and to provide a framework for a utility analysis of these different approaches.

(c) The CCAQ personnel data system

121. Initiatives taken by the CCAQ secretariat to improve the gathering and processing of the common system personnel statistics were reported in ACC/1997/PER/R.12. The personnel statistics formed the basis for almost all analyses and costings of common system conditions of employment. The Fifth Committee and individual Member States also relied heavily on this unique source of common system data. Organizations were requested to review how best complete data could be provided and to consider the feasibility of reporting additional data elements.

122. In 1996 organizations had been provided with a validation program in order to improve the quality of the source data and to reduce the time spent by ICC in its verification and correction. Nonetheless, the process continued to be problematic, especially with respect to ensuring the quality and consistency of data and the timeliness of submissions. Despite the secretariat's efforts to keep costs down, expenditures for ICC's services had significantly increased. These costs were directly related to the time and resources required to process the data and to produce ad hoc tables, as well as those associated with tape handling and storage.

123. The Committee underscored the importance of maintaining reliable system-wide personnel data for the determination of revisions to common system human resources management. The Committee urged organizations to provide correct data in a timely manner and to make every effort to ensure that this task was given priority. The secretariat was urged to continue its efforts to improve data quality, explore new ways of presenting data and to contain costs. They were also requested to continue to study the feasibility of a complete conversion to a PC-based system. Member organizations represented on the ICC Management Board also agreed to bring these matters to the attention of their representatives on that Board in a bid to increase ICC's responsiveness to the Committee's needs. Organizations further agreed to respond to the secretariat's proposals in respect of additional data elements.

ICSC matters

(a) Programme budget

124. Details of the ICSC Programme Budget 1998-1999 were provided in document ICSC/45/R.12. The overall levels of the proposed budget had already been scrutinized by CCAQ(FB) and found to be broadly within the limits set down by ACC.

125. The Committee noted that the management audit of all aspects of the work done by the secretariat was about to get under way. CCAQ would be providing the auditors with its comments and concerns which it had raised previously in respect of alternative ways in which the work of the ICSC secretariat could be organized. The United Nations expressed its willingness to channel such comments to the Board of Auditors in the course of the management audit.

126. The Committee recalled its concerns for the structure of the ICSC secretariat and in particular for the possible reorganization of the secretariat's work into two substantive divisions. One of the two substantive units would be responsible for all policy and research considerations and the other for operations - the issuance of post adjustment multipliers, DSA rates and the like. There was also need for greater balance between the different divisions and the office of the Executive Secretary and the numbers of staff employed in each. The Committee was concerned that, at a time when the General Assembly was calling for more attention to be paid to new approaches in the human resources management field, the staffing of the Personnel Policies Division had been reduced from what was already a very limited level. CCAQ continued to believe that it must be possible to streamline further the work of the Cost-of-Living Division as enhanced automation and computer technology became available.

127. The Committee understood that the management audit would address these concerns and also the need to determine the service standards required for the different clients of the secretariat and the potential for re-engineering work processes in order to ensure that such standards were maximized.

128. The Committee remained opposed to holding Commission sessions in the "field". Whatever the potential might be for some reductions in subsistence allowances when meeting in "field" locations, the travel costs incurred by all those participating in the sessions imposed a heavy burden on the budgets of all organizations and outweighed any gains. Moreover, the holding of such sessions in cities with large UN presences did not necessarily afford members of the Commission with exposure to difficult or dangerous field conditions. Fact-finding missions were another matter. The Committee considered that the organization of Commission sessions should be restricted to headquarters locations and most frequently to New York and Geneva which provided for the greatest savings in terms of travel and subsistence allowance for the Commission, its secretariat and the consultative partners.

129. The Committee continued to support the introduction of legal expertise in the ICSC secretariat and thus supported the proposal contained in the programme budget for the creation of a legal officer post. It was concerned, however, at the manner in which this proposal had been made to the extent that it implied that a legal officer was required to respond to the backlog and ever increasing number of appeals being made against ICSC decisions. When the suggestion about the introduction of a legal officer had been made by CCAQ, it was in the context of ensuring that ICSC decisions were legally sound and therefore would not be subject to challenge in the tribunals. The Committee foresaw that the introduction of a legal officer post would be a major step forward in reducing the number of appeals.

130. The Committee reflected that, in many other institutions, it was now common practice for work units providing services - as salary and cost-of-living information - to be run as cost centres. For example, UNDP provided salary data to the World Bank, the US Department of State, the EBRD, OECD and the IADB at a charge. In this context, the Committee again requested that attention be paid to the possibility of raising income to help meet the Commission's overall budget through the sale of salary survey, post adjustment, subsistence allowance or other data.

(b) Resolutions and decisions adopted by the General Assembly
and other governing bodies

131. The Committee took note of the documents R.2 and R.2/Add.1 and information provided in respect of a resolution adopted by the General Assembly on 31 March 1997 in respect of United Nations human resources management. In the context of resolution 51/216, The Committee reported to ICSC on decisions reached on three specific matters raised in the resolution. These were: (a) the comparator, (b) special occupational rates and (c) expatriation. (These matters are each dealt with in the relevant sections of this report.)

(c) Proposal to establish a working group to review the functioning of ICSC

132. The Committee noted that the executive heads in ACC had repeatedly stressed the need for all efforts to be made to encourage the staff bodies to participate fully as consultative partners in the work of the International Civil Service Commission.

133. In connection with the proposals being made by CCISUA and FICSA to create a working group, CCAQ fully supported the establishment of such a working group and stood ready to participate therein on behalf of the executive heads of the organizations of the common system. This working group had to be representative of all the partners in the ICSC Statute; this meant that the totality of staff had to be represented, i.e. both FICSA and CCISUA must participate.

134. The Committee welcomed the suggestion that this working group should take a different approach from that in which the matter had previously been discussed. To this end, and to ensure the independence of the working group, the Committee proposed that the working group should be chaired by an independent and eminent person not immediately connected with the Commission, the administrations or the staff bodies. It stood willing to propose names of possible chairpersons.

135. The terms of reference and the method of work and the reporting arrangements would have to be agreed upon by the parties concerned before the working group convened.

136. In the light of the mandate given to it by ACC, the Committee would inform ICSC that it stood ready to provide its good offices or whatever other enabling machinery might facilitate the speedy creation of the working group.

[As a result of informal meetings at its forty-fifth session, ICSC decided to create a working group “to identify the areas of discontent of the participating parties, review and make recommendations to address the concerns and possible measures to be taken to rectify the situation”.]

Other Business

(a) Code of Conduct

137. The Secretary briefed the Committee on the outcome of discussions of this matter at ACC’s first regular session (April 1997). In view of the potential system-wide implications, this issue had been raised at ACC by several executive heads, as well as by the staff representatives. Based on the nature of the discussion in ACC, organizations had the impression that organizations could expect to receive a copy of the draft of the new code shortly.

138. The representative of the United Nations informed the Committee that the code would be applicable only to the staff of the UN and its Funds and Programmes. It was being established in the context of a transparent system of accountability and responsibility, as requested by Member States. The code, which would incorporate the principles laid down in the Standards of Conduct originally promulgated by ICSAB in 1954, would constitute part of the UN’s Staff Regulations and Rules. The ICSAB Report would be annexed to the Code of Conduct. The draft code had been submitted to UN managers and staff associations for comments.

139. The Executive Secretary of the ICSC, recalling that the Standards of Conduct promulgated by ICSAB in 1954 had been reissued by ICSC in 1982, offered ICSC’s assistance in the process, noting that Article 15 of its Statute called on the Commission to make recommendations for the development of common staff regulations.

140. The representative of WTO informed the Committee of an initiative undertaken in that organization to revise the standards of conduct to respond to the concerns of Member States in respect of conflict of interest and to modernize the language of the 1954 Standards of Conduct. The representative of ICAO also informed the Committee that revised standards of conduct had been included in the Regulations, Rules and Personnel Instructions of that organization in order to provide a legal basis for holding staff accountable for their conduct as international civil servants. These texts would be circulated to members of CCAQ.

141. The representative of the ILO regretted the lack of information and consultation between the United Nations and the other organizations on this matter. Until now all the organizations had been applying the Standards of Conduct which had been defined at the common system level by ICSAB and confirmed by ICSC, and this was an area where there was clearly a need for common standards. She drew attention to the problems which would be created if the new standards adopted by the UN would conflict with the international labour standards set by the ILO regarding freedom of association and labour-management relations and expressed the hope that the ILO and the other organizations would have the opportunity to provide their comments on the draft provisions of the UN.

142. CCAQ expressed its appreciation for the clarification provided by the United Nations and hoped that in view of the common system implications, all organizations would be given the opportunity to provide comments to the United Nations before submission of the code to the General Assembly. Organizations would consult their legal counsels and staff in the preparation of comments. Copies of organizations' comments on the UN draft and other initiatives which individual organizations had already undertaken would be forwarded to the CCAQ secretariat which was requested to prepare - in conjunction with the ICSC secretariat - an inventory of those elements of the 1954 ICSAB Standards of Conduct which warranted revision. The representative of the United Nations undertook to convey the above-mentioned views of CCAQ to the Under-Secretary-General for Administration and Management.

Annex I

LIST OF PARTICIPANTS

Chairperson: Mr. D. Goethel (IAEA)
Vice-Chairpersons: Ms. J. Beagle (UN); Ms. H. Hirose (UNESCO)

Representatives of member organizations

United Nations:	Ms. Jan Beagle, Director, Specialist Services Division, OHRM
	Mr. Julio Camarena Common System & Inter-agency Policy, SSD, OHRM
UNDP:	Mr. Bruce Frank, Chief, Policy, Compensation and Administration, Office of Human Resources
UNICEF:	Mr. Michael Corbett, Deputy Director, Division of Human Resources
UNFPA:	Ms. Linda Sherry-Cloonan, Chief, Personnel Branch, DFPA
WFP:	Ms. Diane Dufresne-Klaus Director, Human Resources
UNRWA:	Mr. Keith Walton, Director, Administration & Human Resources
UNHCR:	Ms. Mary J. Murphy, Director, Division of Human Resources Management
	Mr. Duncan Barclay, Chief, Policy Coordination, Division of Human Resources Management
	Ms. Anne Gunning, Senior Policy Coordination Officer, Division of Human Resources Management
ILO:	Ms. H.T. Perret-Nguyen, Chief, Personnel Administration Branch

FAO: Mr. A.T. Slater, Director,
Division of Personnel

Mr. Charles Juge, Chief,
Personnel Policy and Entitlements Service

UNESCO: Ms. Haruko Hirose, Director,
Bureau of Personnel

Ms. Ilana Krishnamurti, Chief,
Division for Personnel & Compensation Policy

Mr. Malik Ait Si Selmi, Chief,
Division of Human Resources Development

Ms. L. Latreille, Executive Officer

Ms. A. Grisar, Human Resources Planning Section

ICAO: Mr. Dirk-Jan Goossen, Chief,
Personnel Branch

UPU: Mr. Christian Langheld,
Head of Personnel

WHO: Ms. Jane Fitzgibbon

ITU: Mr. Jean-Patrick Baré, Chief,
Personnel and Social Protection Department

WMO: Mr. Mubarak Husain, Director,
Resource Management Department

Mr. Mark Peeters, Personnel Officer,
Personnel Division

IMO: Mr. Leif Gunnstedt
Head, Personnel Section

UNIDO: Mr. Peter Lassig, Director,
Personnel Services

IAEA: Mr. Dieter Goethel, Director,
Division of Personnel

Mr. Ernest Obed, Head,
Staff Administration Section

WTO: Mr. Paul Rolian, Director,
Personnel Division

Observers

ICSC: Mr. Prakash Ranadive, Executive Secretary
Mr. Fred Ordelt, Officer-in Charge,
Salaries and Allowances Division

Mr. Kingston Rhodes, Chief,
Cost-of-Living Division

Ms. Enid Steward-Goffman, Chief,
Personnel Policies Division

FICSA: Mr. Walter Scherzer, President
Mr. Alvaro da Silva Durao, General Secretary
Mr. Jogindar Singh Battra
Mr. Mauro Pace
Ms. Josiane Taillefer
Ms. Jane Wright

CCISUA: Ms. Rosemary Waters, President
Mr. Javier Campos, Vice-President
Mr. Mumtaz Ahmad
Mr. Clarence Clark
Mr. Antonio Lombardi

CCAQ secretariat

Secretary: Mr. Roger Eggleston

Assistant Secretary: Ms. Mary-Jane Peters

Guests

CFC: Mr. F. Finocchio,
Acting Administrative Officer

Annex II

**AGENDA AS ADOPTED BY THE COMMITTEE
ON 14 APRIL 1997**

	<u>Document symbol</u>
1. Election of Chairperson and Vice-Chairperson	
2. Adoption of the agenda	ACC/1997/PER/R.1/Rev.1 CCAQ(PER)/86th/INF.1
3. New approaches to human resources management	CCAQ(PER)/86/CRP.4
(i) The framework for the international civil service by the year 2001	ACC/1997/PER/R.2 CCAQ(PER)/86th/INF.2
(ii) The changing organizational landscape: the need for increased flexibility in conditions of employment	ACC/1997/PER/R.3
(iii) Core common system issues	ACC/1997/PER/R.4
(iv) Framework for distinguishing between core and non-core functions in an organization	ACC/1997/PER/R.5
4. Professional remuneration	
(i) The comparator	ACC/1997/PER/R.6
(ii) Statement on occupational rates in the context of more flexible pay systems	ACC/1997/PER/R.7
(iii) Update on use of retirees	CCAQ(PER)/86th/INF.3
(iv) Expatriate elements of the margin	CCAQ(PER)/86th/INF.4
5. Performance management - performance awards and bonuses	
Report on developmental work	ACC/1997/PER/R.8
Performance management: review of the Commission's recommendations in the light of experience of the organizations	ICSC/45/R.11

Document symbol

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| 6. | The Flemming principle and the General Service methodologies | |
| | Reports from the ICSC Working Groups | ICSC/45/R.5, R.6, R.7,
R.8 and R.9
ICSC/45/CRP.3 |
| 7. | Post adjustment matters | |
| | (i) Report of ACPAQ | ICSC/45/R.4 |
| | (ii) Post adjustment at the base of the system | ICSC/45/R.3 |
| 8. | Education grant | ICSC/45/R.10 |
| 9. | Work/family agenda | |
| | Family leave | ACC/1997/PER/R.9 |
| 10. | CCAQ matters | |
| | (i) CCAQ budget for 1998-1999 | ACC/1997/PER/R.10 |
| | (ii) Functioning of CCAQ: centralizing/pooling resources at the inter-agency level | ACC/1997/PER/R.11 |
| | (iii) CCAQ data base | ACC/1997/PER/R.12 |
| 11. | Other ICSC matters | |
| | (i) Programme budget for 1998-1999 | ICSC/45/R.12 |
| | (ii) Implementation of ICSC decisions and recommendations; Resolutions and decisions of the General Assembly and other legislative bodies | ICSC/45/R.2 and
Add.1
CCAQ(PER)/86th/INF.5 |
| | (iii) Request by CCISUA for the establishment of a tripartite working group to review the functioning of the Commission | |
| 12. | Other business | |