

**CONCLUSIONS OF THE MEETING
OF THE HUMAN RESOURCES NETWORK**

(UN, New York, 9-11 July 2003)

TABLE OF CONTENTS

	<u>Paragraph/s</u>
I. Adoption of agenda and work programme.....	1
II. Selection of spokespersons.....	2
III. Issues under consideration by ICSC:	
A. Framework for Human Resources Management	
(a) Review of the pay and benefits system:	
(i) Pay for performance and broad banding/pilot study and qualitative and quantitative information on performance management in the common system.....	3
(ii) Validation and promulgation of the revised master standard.....	4
(b) Contractual arrangements	5
(c) Mobility	6
B. Conditions of service of the Professional and higher categories	
(a) Linkage between the mobility and hardship allowance and base/floor salary scale	7
(b) Evolution of the United Nations/United States net remuneration margin.....	8
(c) Draft agenda the twenty-sixth session of the Advisory Committee on Post Adjustment Questions	9

C.	Conditions of service of the General Service and other locally recruited staff	
(a)	Review of the methodology for surveys of best prevailing conditions of employment at headquarters duty stations	10
(b)	Review of the methodology for surveys of best prevailing conditions of employment at non-headquarters duty stations	11
D.	Hazard pay for locally recruited staff	12
E.	Mission subsistence allowance/special operations approach ..	13
F.	Implementation by organizations of decisions and recommendations of the ICSC	14
IV.	Senior Management Service	15
V.	Greater commonality in health insurance arrangements	16-18
VI.	Health risk situations: administrative and medical response	19-20
VII.	FICSA submissions:	
A.	Domestic partnerships	21-23
B.	Field issues	24-25
C.	Dependency status	26-27
VIII.	Organizational learning framework	28-29
IX.	Follow-up to previous decisions taken at the inter-agency level	
A.	Matters arising from the meeting of HLCM	30
B.	Coordination with UNDG	31-32
X.	Other business	33

I. ADOPTION OF AGENDA AND WORK PROGRAMME

1. The agenda is attached in annex I and the list of participants in annex II.

II. SELECTION OF SPOKESPERSONS

2. The meeting invited Jan Beagle (UN) and Julio Camarena (UNIDO) to serve as spokespersons and authorized them to make representations on behalf of CEB/HLCM at ICSC's fifty-seventh session. Roger Eggleston and Mary Jane Peters of the CEB Secretariat were also authorized to serve as spokespersons.

III. ISSUES UNDER CONSIDERATION BY ICSC

A. Framework for Human Resources Management

(a) Review of the pay and benefits system

- (i) *Pay for performance and broad banding/pilot study (ICSC/57/R.2 & ICSC/57/CRP.8) and qualitative and quantitative information on performance management in the common system (ICSC/57/R.2/Add.2)*

3. The Network:

- ❖ Recalled that when the Deputy Secretary General addressed the General Assembly at its 57th Session on behalf of the UN System Chief Executives Board, she had emphasized ICSC's key role in supporting the process of reform underway throughout the system. Changes were taking place in all organizations to modernize human resources management, to build results-oriented cultures, and to promote accountability, continuous learning and managerial excellence. The United Nations common system needed a pay and benefits system that supported these objectives. The Executive Heads had repeatedly said that the current system did not contribute to improved performance or more effective management.
- ❖ Expressed appreciation for the work that has been accomplished so far, especially the consultative participatory process that had evolved and strengthened. For success, mutual trust was essential among all partners: the Commission, the organizations' representatives and the staff representatives.
- ❖ Stressed the importance of the preparatory work for the pilot project on broadbanding; all organizations were stakeholders in the outcome of the pilot project and therefore all interested organizations should be involved, not just those volunteering to pilot the new approaches. Adequate preparation by organizations and adequate support from the ICSC Secretariat would also be determining factors in the success of the pilot project.
- ❖ Believed that the time table presented in the documentation should be seen as only indicative. While momentum must be maintained, sufficient time must be given to preparatory work. In this regard, the outcome of the one day working group on critical success factors and other relevant issues related to the conduct of the pilot studies was a good first step; however, the time available had been very limited. More time must be invested in developing the criteria for success and preparing activities and timelines. Moreover, the criteria for success must have the support of all stakeholders.

- ❖ Highlighted other areas for the conduct of the pilot project which demanded further reflection as follows:
 - multi-rater assessment in performance management; experience in most organizations indicated that 360° appraisal was more effective for determining developmental/training needs rather than for underpinning pay decisions;
 - the appropriateness of involving training units in the appraisal process which was a managerial responsibility; and
 - a number of unresolved issues relating to strengthening IT systems.

- ❖ Noting that experience in other institutions confirmed that even the best reforms would only succeed if accompanied by a robust communication strategy, decided to urge ICSC to develop a clear communication strategy to cover all parties: staff, managers, HR specialists, as well as Member States. It was essential that everyone understood both the underlying rationale for the pilot project, the way in which it would be administered, and the criteria for its success.

- ❖ Decided also to recommend that ICSC (a) appoint a project manager to oversee the pilot project in a dedicated manner (b) develop a detailed project plan (c) request each organization participating in the pilot to appoint a team leader, and (d) establish a task force of organizations to
 - resolve the outstanding issues mentioned above;
 - monitor progress; and
 - ensure that the experience provided adequate feed back to all organizations.

- ❖ Noted that again the ICSC Secretariat had asserted that the General Assembly had made cost neutrality a condition for the new system. Notwithstanding the positions of certain Member States, this condition had never been included in the text of any GA resolution reflecting the consensus reached in the Fifth Committee. Organizations were cognizant of the budgetary constraints, but they did not consider cost neutrality a sine qua non; some Governing Bodies might indeed decide to dedicate additional resources to the reform process.

DECISION OF ICSC

The Commission took note of the status of the organizations performance appraisal systems and decided to move forward with the pilot study as follows:

(a) It recognized the need for a full time project manager and requested its Chairman to pursue the recruitment of such a manager, subject to the necessary resources becoming available. A task force should be established led by the ICSC secretariat, and involving all organizations and staff representatives, to pursue the further development of reform concepts. A comprehensive project plan should be developed to guide the preparation for and conduct of the pilot study. The plan should include a communication strategy addressing the needs of all interested parties;

- (b) It further requested its secretariat, in consultation with administration and staff representatives, to present it with proposals on the conduct of the pilot study that would:
- (i) Develop measures to assess the readiness of the volunteer organizations to undertake the pilot study and adjust the commencement date for the pilot accordingly;
 - (ii) Determine how long the pilot study should continue in order to adequately evaluate all aspects of the tests and recommend a duration for the pilot study;
 - (iii) Permit a real rather than a virtual test of pay for performance that at the same time would address any legal and/or administrative impediments;
 - (iv) Appropriately take into account the dependency status of staff in constructing the pilot study salary structure;
 - (v) Develop proposals for a salary structure that would reduce or eliminate the overlap of the salary bands that is created by use of the current grade structure to create the bands. Include proposals for placing staff into such a structure upon commencement of the study;
 - (vi) Present concepts for the confluence approach that gives greater weight to results achieved in relation to established objectives while integrating demonstrated competencies and client feedback into a single assessment. Pass/fail ratings should not be used.
 - (vii) Consider the administration of promotions in the models chosen for testing;
 - (viii) Establish baseline data prior to the commencement of the pilot study for comparison purposes in measuring the success of the study;
 - (ix) Further develop the criteria for the measurement of the success of the study.

(ii) Validation and promulgation of the revised Master Standard (ICSC/57/R.2/Add.1)

4. The Network:

- ❖ Welcomed the progress made and noted that the positive results were testimony to the need for broad consultative processes when introducing changes in the system. Organizations had participated fully at all stages of the development process, most recently, in the validation process, and believed the new Standard would provide a solid underpinning of the pay and benefits system.
- ❖ Recalled that at ICSC's 56th Session the Network had requested the Chairman of ICSC formally to submit the final version of the Standard, along with a brief description of the development and testing process, to executive heads before its promulgation; this would facilitate the consultative and formal approval process within each organization.
- ❖ Looked forward to the formal promulgation of the Standard once this consultation process was completed within each organization.
- ❖ Emphasized the utility and cost effectiveness of collaborating in the further development of grade level descriptors for common occupations/job families across the system (those presently in the system were largely designed to meet the programmatic needs of UNDP).
- ❖ Expressed concern in respect of the significant training needs that the introduction of the new Standard would generate. While organizations had been assured by the ICSC

Secretariat that they would be providing training across the system, it was essential that all concerned understood the New Standard, inter alia, to enhance transparency.

- ❖ Agreed that work should begin on the reform of job classification for the General Service and related categories as soon as feasible. A number of fundamental, far-reaching conceptual issues raised in the ICSC document would require an intense collaborative process similar to that undertaken in respect of the Professional and higher categories. Organizations looked forward to collaborating in the development of a detailed work plan so as to ensure a thorough examination of all issues.

DECISION OF ICSC

The Commission decided that with regard to the reform of job evaluation within the context of the review of the pay and benefits system:

(a) Authority for the promulgation of the new system of job evaluation comprising: (i) the Master Standard; (ii) Grade Level Descriptors; and (iii) a new job description format, be delegated to its Chairman to allow for internal consultation within the organizations with a view towards promulgation as of 1 January 2004;

(b) Its secretariat should report on an annual basis on the implementation of the new standards in organizations. This information should include: the number of jobs which on application of the new standard are found to be under- or overgraded and the levels affected; the impact of change on the organizations; and difficulties encountered;

(c) Its secretariat should carry out a comprehensive assessment of the job evaluation system after 18 to 24 months and present to the Commission for its review and approval any substantive design changes that may be required;

Its secretariat, in consultation with organizations and staff representatives, should pursue further research on the proposal to reform the job evaluation system for the General Service and related categories and provide the Commission with a report.

(b) Contractual arrangements (ICSC/57/R.3)

5. The Network:

- ❖ Recalled that on several occasions in recent years it had drawn attention to what could be described as a tension between the core and non core aspects of contractual arrangements as expressed in the Framework for Human Resources Management. In the Framework, contractual arrangements were deemed to be core “to the extent that the compensation package is common across all organizations”. At the same time, the Framework’s principles confirmed that “contractual arrangements should be flexible so as to respond to organizational needs”.
- ❖ Stressed again that contractual arrangements must meet the organizations’ diverse business needs and the nature of work being performed and were governed by changing financial realities and the legislation of organizations’ governing bodies.
- ❖ Observed that almost all organizations had reviewed or were in the process of reviewing their contractual policies; many have already streamlined their contractual arrangements.
- ❖ Expressed appreciation for the time and collaborative effort of the ICSC secretariat which had led to the delineation of a general framework and of useful guidance to organizations in maintaining their role as socially responsible employers.

- ❖ Considered that the framework and recommendations flowing therefrom were recommendations - not prescriptions – and therefore could endorse them.
- ❖ Decided, nonetheless, that in terms of paragraph 73 (c) of the document (R3) to propose three amendments to help clarify the text as follows:
 - To introduce the words “to executive heads” in the first line to make clear to whom the recommendations are addressed;
 - To add “or continuing” after indefinite in 73 (c) (i) to help clarify that this refers to a concept of indefinite which differs from that which has been used in some organizations up until now;
 - To add “a possible” before the word “option” in the first line of 73 (c) (ii) to make it clear that not all fixed term appointments are subject to conversion to indefinite/continuing appointments; and
 - To add in 73 (c) (ii) after “appointments of limited duration”, “and other similar arrangements” to take account not only of ALDs but also arrangements such as those in place in IAEA.

DECISION OF ICSC

The Commission concluded that, while there was a wealth of information available on the present situation in the organizations of the common system, more work was needed before making a recommendation to the General Assembly.

In order to reach this position, and taking into account the need for allowing continued flexibility to organizations, the Commission requested its secretariat to prepare, in collaboration with the organizations, for its fifty-ninth session, a model contract for each of the following three categories proposed, namely, (a) continuing appointments; (b) fixed-term appointments; and (c) temporary appointments; with sub-groups under each category that would clearly distinguish the key characteristics. Details on the conditions of employment, such as, the duration of tenure; the requirement for mobility; the requirement for a probationary period; the procedures for progression to other contract types; the compensation package; social security and health insurance provisions and procedures for extension and/or termination should be provided for each sub-group.

(c) **Mobility** (ICSC/57/R.4)

6. The Network:

- ❖ Expressed appreciation for the report of the consultant as contained in the document which it considered to be helpful in focusing attention on the complex issues which surrounded staff mobility, particularly at the inter-agency level. The report was most timely as many strands of the matter were being discussed in different inter-agency bodies and working groups. The consultant’s report was also a valuable response to the General Assembly’s request to ICSC “to conduct a comprehensive review of the question of mobility and its implications for the career development of the staff of the UN System”.
- ❖ Noted that a number of practical actions were already being taken by the executive heads to move forward the matter of inter-agency mobility; these resulted largely from the June 2003 meeting of the CEB’s High Level Committee on Management of which mobility – and particularly inter-agency mobility – had been a main focus of the agenda. In this

regard, it decided to make available to ICSC the chart shown in Annex III describing the action which would be pursued in 5 areas:

- The development of a “vision” statement;
 - Work to be carried out by a working group (led by the Deputy Director General of IAEA) to help remove impediments and to the strengthen policies to encourage mobility;
 - Actions in respect of spouse employment;
 - Work to strengthen organizations induction and briefing programmes in terms of an international civil service; and
 - Development of proposals for financial incentives for inter-agency mobility for presentation to ICSC.
- ❖ Noted further that an HLCM Working Group would report back to HLCM in Spring 2004 on a range of inter related issues, including (a) revisions to the CEB inter-agency agreement on loans, transfers and secondments; (b) review of the agreement for loan arrangements between the international financial institutions and the UN common system; (c) policies in respect of treatment of all UN system applicants for posts as internal candidates; (d) review of other administrative impediments including health insurance provisions with a view to eliminating them or at least reducing their impact on inter-agency mobility.
- ❖ Decided to bring forward its considerations in respect of common system entitlements/allowances/bonuses linked to rotation and mobility within the framework of ICSC’s 2004 review of allowances (including the mobility and hardship matrix). These considerations would be made in the context of the views expressed by the ICSC consultant and the practices of the comparator and of others for whom mobility was a fundamental requirement for getting the job done.

DECISION OF ICSC

The Commission recognized that mobility was a key element in the reform efforts of the organizations. The importance of mobility as a means of developing a more versatile, multi-skilled and experienced international civil service capable of fulfilling complex mandates was emphasized. It enabled organizations to meet their programme needs, particularly in difficult duty stations. The Commission decided that it should approach mobility in a comprehensive manner, in harmony with contractual arrangements, conditions of employment, work/life agendas and spouse employment. Accordingly, the Commission identified four key areas where programmes should be developed to enhance mobility. These priority areas are as follows:

- (a) Development of strategies to change organizational culture with regard to mobility;
- (b) A clear definition of various types of mobility (e.g., rotation, mandatory or optional mobility and intra-organizational, inter-agency mobility or external mobility);
- (c) Terms of contracts, which should include conditions of employment including mandatory mobility, where appropriate;
- (d) Spouse employment.

In the context of the pay and benefits review, the Commission decided to review the current mobility and hardship scheme in order to assess its effectiveness in meeting the organizations’ needs and to make alternative proposals to enhance mobility.

B. Conditions of service of the Professional and higher categories:

(a) Linkage between the mobility and hardship allowance and base/floor salary scale (ICSC/57/R.5)

7. The Network:

- ❖ Recalled again that the mobility and hardship scheme had been introduced as part of the 1989/1990 Comprehensive Review of the Conditions of Service of the Staff of the Professional and Higher Categories. This remained a key consideration to the extent that the creation of the allowance and its linkage to the base/floor salary scale were part of a carefully crafted package which, through the efforts of the Commission and others, had gained recognition and approval of the General Assembly. To look only at just one piece of that package, as currently proposed in the document, was not valid. A holistic approach was necessary as had been emphasized in the Framework for Human Resources Management which the Commission had adopted in 2000.
- ❖ Reiterated the importance organizations, especially those which were field-based, attached to the allowance in helping to meet their operational needs. In June, the CEB's High Level Committee on Management had re-emphasized this in a statement in the context of its discussion on inter-agency mobility which underlined the importance HLCM attached to the maintenance of the current mobility and hardship scheme "as a vital support to mobility in general".
- ❖ Recalled that at ICSC's 56th session, it had emphasized the need (a) to update the comparison of UN versus USA allowances – at least as far as hardship was concerned – and (b) to undertake "client" surveys of the impact of the mobility and hardship scheme on the work of the organizations as well as in respect of recruitment and mobility of the staff of the organizations.
- ❖ In this connection, noted that the document provided the first of these analyses, namely the relationship of the UN and USA allowances and the issues surrounding the creation of the mobility and hardship scheme and its regular review. The client surveys were still to be carried out, however. These were crucial to any discussion of any change to the matrix or to any of its constituent elements. From all the indications organizations had, it was clear that the matrix provided a big boost to mobility; thus, any change in that element could have a serious negative impact on morale and mobility itself. Changes to the matrix would also have implications for administrative overhead in terms of re-tooling organizations' IT systems and adding staff time to administer less transparent arrangements.
- ❖ Recalled that in the context of the analysis between the UN and USA allowances, the 1989 comparisons had not required a total compensation approach (in other words, a comparison that would take housing and other elements into account) because the United States package was so significantly ahead of the potential UN package. As the USA did not provide a mobility incentive like the UN one, the comparison in Annex III of the document did not compare like with like. At the same time it was evident from Tables 2 and 3 of the document that, strictly in terms of hardship, the number of duty stations at the highest levels were very different indeed; the USA had 30 per cent of all duty stations at its highest hardship level, the UN had only 4 per cent. This impacted on the total costs of the two hardship schemes.

- ❖ Noted that the United States Congress was currently considering the addition of more hardship categories at 30 and 35 per cent rates which would clearly increase the overall costs of the US scheme.
- ❖ Emphasized that on the UN side the five mobility levels (i.e. 1st, 2nd, 3rd assignment and so on) were decided upon as a result of the 1988-1989 survey which had shown that – for the field based organizations – 5 moves were the average at that time. Many organizations now reported that the number of staff moves far exceeded that number.
- ❖ While it could not support the final conclusion contained in paragraph 43 of the document to delink the allowance from the base/floor salary scale, it did agree with a number of assertions, namely:
 - In paragraph 36, the ICSC secretariat stated that it was “of the view that the reasons advanced for the linkage with the base/floor salary scale preserve their validity even today”;
 - In paragraph 37, the secretariat had underscored that “one of the problems with the former allowances, which the mobility and hardship scheme replaces, was the irregular adjustment periods. These allowances experienced long periods of neglect followed by substantial increases”. This was one of the main reasons for linking the UN allowance to the base/floor as does the comparator. The procedure was indeed modeled on that of the comparator;
 - In paragraph 38, it was recalled that conclusion of the 1996 review of the scheme was that “there was therefore no technical reason at that time to depart from the current adjustment procedure, which was simple, logical and transparent”. And so it remained. The network therefore questioned why a change to the adjustment procedures should be contemplated?
- ❖ Recalled the agreement which had been reached at the 56th session of ICSC to revert to the procedure used from 1989 to 1994 and adjust the UN base/floor by reference to the US nationwide scale which excluded locality pay. This would mean a freeze in the current base/floor scale for at least one year and more likely two to bring it back to parity with the US. It also meant that the mobility/hardship matrix would be frozen for the same period of time.
- ❖ Although the General Assembly had referred to the question of the linkage of the mobility and hardship allowance to the base/floor salary scale on a number of occasions, the most recent reference in resolution 57/285 (2002) requested that this issue be reviewed in the context of the review of the pay and benefits system. The part of the review targeting allowances – starting with education grant – was planned for 2004. Preparation for the review of the mobility and hardship allowance should ensure that the analyses were robust. The review should also move towards a more total compensation approach as well as provide details of the extent to which staff are mobile or not on the USA side – and crucially include the client surveys requested by organizations.
- ❖ Agreed to urge that ICSC maintain the current adjustment arrangements, especially in the light of the freeze on the base/floor salary level which would mean no increase to the allowance in 2004 and probably 2005. The allowance, as indicated in the document, was simple, logical, transparent and was working. A holistic approach must be undertaken in the further review of the matter rather than resorting to piece-meal actions, especially in light of the overall objective of enhancing mobility.

DECISION OF ICSC

The Commission requested its secretariat to proceed with a review of the current mobility and hardship allowance and the presentation of alternative approaches to compensation for mobility and hardship in the context of the ongoing review of pay and benefits, and to present its findings to the Commission at its fifty-ninth session.

It also decided to report to the Assembly that its recommendation concerning the procedure with regard to the base/floor salary scale would result in payments under the mobility and hardship scheme being maintained at their current levels for the time being. In the meantime, the Commission would continue to keep the matter under close review and would present a final report to the Assembly at its fifty-ninth session with regard to compensating staff at hardship locations and encouraging mobility. At that time it would also report on the linkage between the mobility and hardship allowance and the base/floor salary scale.

(b) **Evolution of the United Nations/United States net remuneration margin**
(ICSC/57/R.7)

8. The Network:

- ❖ Noted that the analysis of individual grade level margins showed that the margin was again very close to 110 in respect of three grade levels – P4, P5, and D1. If it should fall below that level, the matter would have to be addressed urgently by the Commission and the General Assembly.
- ❖ Reiterated that for the executive heads there remained the ongoing and frequently repeated concern for the competitiveness of UN system remuneration. The long-awaited study of the expanded Noblemaire Principle should therefore be undertaken in 2004.

(c) **Draft agenda the twenty-sixth session of the Advisory Committee on Post Adjustment Questions** (ICSC/57/R.7)

DECISION OF ICSC

The Commission decided to report to the General Assembly the margin forecast of 111.9 between the net remuneration of the United Nations staff in grades P-1 to D-2 in New York and that of the United States federal civil service in Washington, D.C., for the period from 1 January to 31 December 2003. Details of the margin calculation are contained in the annex to the present report

9. The Network:

- ❖ Endorsed the proposed agenda and expressed satisfaction at the collaborative and effective work between the ICSC secretariat, organizations and staff, which would lead to refinement and greater understanding of the post adjustment system.
- ❖ Was informed of the escalation of prices due to the introduction of the EURO which could lead to the need for interim place to place surveys to be undertaken in the Euro-zone countries.

DECISION OF ICSC

The Commission approved the agenda proposed for the twenty-sixth session of the Advisory Committee on Post Adjustment Questions, as set out in the annex to document ICSC/57/R.7, except for agenda item 3.

C. Conditions of service of the General Service and other locally recruited staff:

(a) Review of the methodology for surveys of best prevailing conditions of employment at headquarters duty stations (ICSC/57/R.8)

10. The Network:

- ❖ Reiterated the importance it attached to upholding the Flemming Principle.
- ❖ Welcomed the spirit of constructive collaboration in which the ICSC's Tripartite Working Group had conducted the methodological review and the efforts made to make the survey process smoother, more dynamic and efficient.
- ❖ Expressed the hope that the refinements would make the methodology a more modern and effective tool to measure market conditions at various headquarters locations.

DECISION OF ICSC

The Commission decided to:

- (a) Approve, with effect from 1 January 2004, the revised methodology for conducting surveys of the best prevailing conditions of employment at headquarters duty stations as presented by the secretariat;
- (b) Adopt the confidentiality pledge letter, as amended; and
- (c) Approve the schedule for the sixth round of headquarters' surveys.

(b) Review of the methodology for surveys of best prevailing conditions of employment at non-headquarters duty stations (ICSC/57/R.9)

11. The Network:

- ❖ Reiterated that it attached the utmost importance to ensuring that the salary survey process was fair and transparent. The methodology which was applied in over one hundred and sixty duty stations in a varied range of economic settings had worked well, but periodic fine-tuning was necessary in order to align it with the evolution of outside labour markets and technological advances.
- ❖ Supported in general the recommendations but recalled that, while some organizations had agreed with the expansion of the number of surveyed employers, others had expressed concern at this change.
- ❖ Supported also the new categorization of duty stations as well as the proposals to define more clearly the public/not-for-profit sector of the employer sample and to use judiciously alternative data collection methods.

- ❖ Hoped that the recommended changes would ensure that the methodology became more up-to-date, user-friendly and precise and ensure that the conditions of service of General Service and other locally recruited staff were set at competitive levels.
- ❖ Underlined the importance of social dialogue in the data collection process. In this context, the Network supported the involvement of the LSCC in reaching decisions, in particular in respect of alternative data collection modalities when remote surveys were conducted.

DECISION OF ICSC

The Commission agreed with the proposal of the secretariat that changes relating to confidentiality and transparency of the exercise that it had approved for the headquarters methodology, including a written confidentiality pledge, would be equally applicable to the non-headquarters methodology since the survey processes under the two methodologies were broadly the same.

With effect from 1 January 2004, it approved the revised methodology for conducting surveys of the best prevailing conditions of employment at non-headquarters duty stations as presented by the secretariat subject to a number of modifications proposed by the staff representatives. Those modifications related, inter alia, to further clarifying the survey process and the responsibilities of the survey participants, including the role of the Headquarters Steering Committee and the LSSC, as well as to reflect some factual changes that had taken place since the last methodology review.

D. Hazard pay for locally recruited staff (ICSC/57/R.10)

12. The Network:

- ❖ Reiterated the position it had taken at ICSC's 56th session that it supported an increase in the level of hazard pay from 20 to 30 per cent of the mid point of the local salary scale.
- ❖ Recalled that at both the ICSC's 55th and 56th sessions, it had also supported the updating of the level of hazard pay for internationally recruited staff.
- ❖ Agreed to urge ICSC to maintain the decision it had taken in 2002 to increase the level of hazard pay for locally recruited staff and to recall that at both the 55th and 56th sessions it had also supported the updating of the level of hazard pay for internationally recruited staff. This was even more important since, sadly, the UN System workforce was increasingly placed in situations of serious danger.

DECISION OF ICSC

The Commission decided to uphold its previous decision that the level of hazard pay granted to locally recruited staff should be increased to 30 per cent of the midpoint of the local base salary scales and that this decision would be implemented with effect from 1 January 2004.

E. Mission subsistence allowance/special operations approach (ICSC/57/R.11)

13. The Network:

- ❖ Recalled that the arrangements for the mission subsistence allowance and for the special operations approach had been put in place under the authority of the Secretary General and other executive heads.
- ❖ Emphasized the need for flexibility in the arrangements in order to meet organizations' diverse operational requirements; for example, peacekeeping missions had very different requirements from those situations being managed by the organizations carrying out humanitarian mandates.
- ❖ Noted that organizations were cognizant of the need to seek optimum harmonization and for this reason had developed the current arrangements in a highly collaborative manner. This collaboration was ongoing; organizations met regularly to resolve any issues related to the implementation of the special operations approach.
- ❖ Noted also that the UN Secretariat was currently undertaking a review of entitlements of staff in the field of which the mission subsistence allowance was just one.
- ❖ Decided in light of the above to inform the ICSC that it did not believe that the time as ripe for it to reach any conclusions on the matter.

DECISION OF ICSC

The Commission took note of the information presented and stressed the need for further harmonization of practices of organizations with respect to the allowances of staff serving in non-family duty stations, in order to avoid competition and promote mobility of staff. It requested the organizations to continue their efforts to develop arrangements that would be applicable to all organizations and to present the Commission with a comprehensive report at its fifty-ninth session (summer 2004). The Commission also requested its secretariat, in cooperation with the organizations, to consider and to report on the feasibility of linking the MSA rates to the DSA rates established by the Commission.

F. Implementation by organizations of decisions and recommendations of the ICSC (ICSC/57/R.12)

14. The Network:

- ❖ Took note of the information provided in the document.

DECISION OF ICSC

The Commission took note of the information presented by its secretariat for the 2003 implementation exercise. The Commission decided: (a) to request its Chairman to urge those organizations that had not participated in the present exercise to fulfill their statutory obligation in the future and to invite them to note that their involvement in any collection of information affected the work of the Commission; and (b) to request its secretariat to present a statistical report on gender balance at all levels, including the ungraded officials of organizations, in the United Nations common system in 2004.

IV. SENIOR MANAGEMENT SERVICE (SMS)

15. The Network:

- ❖ Recalled that at its March 2003 session it had been agreed to establish a Task Force of interested organizations to take the work forward on establishing a SMS. Interested organizations were: UN, ILO, WHO, UNESCO, WFP. UNCTAD had agreed to serve as Task Force coordinator. A key principle in the development of the SMS was that it would complement, not detract from or contradict, the work already undertaken by organizations in developing management competency frameworks, or selection processes for senior posts.
- ❖ Noted that as a first step, the organizations had been requested to submit the work they had already done on developing managerial/leadership/senior management competencies.
- ❖ Was informed that negotiations were underway with an internationally renowned consulting company to assist the task force in analysing the data and developing commonly acceptable/applicable overarching SMS competencies. In this regard, the project was foreseen in three stages:

Phase 1: Reviewing work already done by the ICSC, HR Network, and individual organizations;

Phase 2: Verification/validation of the SMS concepts, terms, criteria, etc. This would predominantly be done electronically between organizations, with some analysis and consolidation by the consultant;

Phase 3: Drafting a final competency model, participation criteria, proposals for how an SMS might work in practice, and how it might be supported (e.g. UN System Staff College) through management development programmes, etc. The objective was to have this final phase completed for consideration by the HR Network early in 2004, for final approval by HLCM.

- ❖ Decided to inform ICSC at its fifty-seventh session of progress in this regard.

DECISION OF ICSC

The Commission took note of the information provided by the Human Resources Network and requested the organizations to inform it of progress made, as appropriate, with a report to be submitted at its fifty-eighth session.

V. GREATER COMMONALITY IN HEALTH INSURANCE ARRANGEMENTS

16. At its March 2003 meeting, the Network had concluded that once the findings of a working group of those organizations using the MIP¹ were available, it would decide whether to set up an inter-agency task force to analyze the main discrepancies existing between organizations' health schemes and develop strategies and measures which could be undertaken to achieve a more coherent approach. The Network had also encouraged organizations to pursue solutions in respect of health insurance arrangements for their contingent work force at the field level.

17. The Network had also been requested by HLCM to give attention to the introduction of provisions for long term care; organizations had therefore been requested to provide details on what long term care provisions existed under their current health insurance schemes.

18. The Network:

- ❖ Took note of an oral report on the progress of the MIP working group. Specifically, the Network noted that
 - During the first six months of 2003 the existing reimbursement methodology was modified so as to allow for a significantly higher level of reimbursement before reaching the maximum annual entitlement provided for under the plan. (This methodology was very similar to that already established in respect of the United Nations Worldwide Van Breda Plan.)
 - In recognition of issues with respect to the manner in which the contribution of retirees under the MIP were assessed, the MIP Working Group had studied alternative approaches to bring the current methodology in line with the manner in which retirees' contributions were assessed under other United Nations plans; a solution would soon be recommended.
- ❖ Agreed that the CEB secretariat should update and expand upon previous CCAQ/FB studies on health insurance arrangements to include issues reviewed by the MIP working group, provisions covering dental, mental health and long term care and organizations' health insurance for their contingent workforce.

¹ The MIP applies to local staff members and retirees throughout the world and is administered by the United Nations, UNDP, UNICEF and UNHCR. The Van Breda Plan is a commercial scheme administered by Van Breda of Antwerp, Belgium, for staff and retirees away from Headquarters, New York. The policy holder is the UN. The Geneva Plan is an in-house health insurance programme for staff and retirees administered by the United Nations Office in Geneva (UNOG). The Aetna and Blue Cross medical insurance programmes and the Cigna dental programme are commercial plans intended primarily for staff and retirees based in the United States. The policy holder is the United Nations.

VI. HEALTH RISK SITUATIONS: ADMINISTRATIVE AND MEDICAL RESPONSE (CEB/2003/HLCM/19)

19. In a bid to put in place comprehensive measures for coordinating, planning and implementing inter-agency health-related emergency and safety measures, WHO had prepared a note containing proposals developed in collaboration with UNDP, UNICEF, WFP and the UN and WHO Medical Services.

20. The Network:

- ❖ Thanked WHO for its leadership and support to organizations during the recent SARS crisis.
- ❖ Noted that WHO had the capacity to serve as the repository for information for the common system on health-related emergency and safety measures.
- ❖ Expressed appreciation to WHO for developing proposals that addressed the need to improve inter-agency coordination in risk situations.
- ❖ Agreed that in order for the proposals to be dealt with speedily, organizations should forward their comments to WHO with the view to finalizing the proposals for submission to the next session of HLCM (October 2003).
- ❖ Requested the CEB secretariat to undertake consultations on how to better address inter-agency coordination on other health-related issues, including consideration by the Network and HLCM of reports from the meetings of the Medical Directors.

VII. FICSA SUBMISSIONS

A. Domestic partnership (CEB/2003/HLCM/14)

21. FICSA presented a note which provided background on the issue of recognizing domestic partnerships and common law marriages for the purpose of determining dependency benefits and facilitating travel to and residency at the duty station of a staff member of the common system.

22. At its Fifth Session (June 2003) HLCM had recognized that one impediment to mobility was the lack of a common system policy for the recognition of domestic partners as dependents. It therefore underlined “the importance – and urgency – of moving forward with a common approach on the issue of recognizing domestic partners, and [invited] the HR Network to bring forward options thereon to HLCM’s next session.

23. The Network:

- ❖ Expressed appreciation for the note prepared by FICSA.
- ❖ Noted the request of HLCM.
- ❖ Agreed to set up a working group under the leadership of the ILO to bring together interested organizations, legal advisers and staff representatives with a view to putting forward concrete proposals for the next session of HLCM (October 2003). In this regard, the CEB secretariat should facilitate consultation with the whole HR Network through correspondence.

B. Field issues: Various issues identified at the 56th FICSA Council (CEB/2003/HLCM/15)

24. FICSA presented a note requesting action be taken at the inter-agency level which it considered required attention especially as regards conditions of service in field-based duty stations. Specifically, action was requested as regards contractual arrangements, use of core resources, career development and training, treatment of staff by managers, harassment, gender balance, mobility and security.

25. The Network:

- ❖ Thanked FICSA for bringing the issues to organizations' attention and pointed out a number of areas in which organizations had taken action along the lines requested by FICSA.

C. Dependency status (CEB/2003/HLCM/16)

26. FICSA presented a note requesting that action be taken to extend the age limit of dependency status for dependent children from 21 to 25 years of age.

27. The Network:

- ❖ Noted that while there was some merit in the FICSA proposal, it required further work; It was, moreover, an ICSC matter that should more appropriately be taken up in 2004 in the context of ICSC's review of allowances.

VIII. ORGANIZATIONAL LEARNING FRAMEWORK (CEB/2003/HLCM/17)

28. The UN System Learning Managers presented a note on the "Organizational Learning Framework" (OLF) for endorsement. The Learning Managers believed that there was scope to use learning and development more strategically and effectively for improving management capacity and organizational performance. It would also support, complement and integrate Human Resources Development (HRD) policies into the broader UN reform process and the deliberations of the HR Network and the HLCM.

29. The Network:

- ❖ Expressed appreciation for the excellent collaborative work and thanked the Learning Managers for developing a useful learning framework.
- ❖ Fully endorsed the concept of the framework and approved the six principles.
- ❖ Noted that the Learning Managers would refine the indicators related to each principle as well as the implementation processes including a diagnostic tool, which could complement individual organization's endeavors.
- ❖ Supported a role for the UN System Staff College in the implementation of the Framework process.

IX. FOLLOW-UP TO PREVIOUS DECISIONS TAKEN AT THE INTER-AGENCY LEVEL

A. Matters arising from the meeting of HLCM

30. The Network took note of the follow-up conclusions of the Fifth Session of HLCM. In the area of human resources management², it inter alia had:

- **Security and safety of staff** – Approved the recommendation of the Security and HR Networks to reimburse the cost of residential security measures as part of the Minimum Operating Residential Security Measures (MORS) at 100% and confirmed the central role of UNSECOORD in determining the levels of such reimbursements; and underlined the crucial importance it attached to continuing to strengthen stress counselling arrangements in organizations of the system and of looking into improving arrangements for the safety of women, especially in dangerous field locations.
- **Inter-agency mobility** - Invited the secretariat to circulate a draft “vision” statement reflecting the organizations’ ongoing commitment to inter-agency mobility and the need to develop solutions to impediments thereto; invited the HR network to provide input to the working group in respect of the harmonization of entitlements by bringing together the efforts being pursued by a number of groups and subgroups inter alia of the Network and the UNDG; underline the importance it attached to the maintenance of the current mobility and hardship scheme as being a vital support to mobility in general; underlined ... the importance – and urgency – of moving forward with a common approach on the issue of recognizing domestic partners, and invited the HR Network to bring forward options thereon to HLCM’s next session (see also Annex III).
- **Senior Management Service** - Agreed with the HR Network’s proposals to further the development of a Senior Management Service under the aegis of CEB ... on the understanding that the link to the UN System Staff College’s future Leadership and Management Programmes would be strengthened and made more explicit.
- **Personnel statistics** - Regretting the delays in reporting personnel data, drew members’ attention to the imperative need for organizations to provide annual computerized personnel statistics in an accurate and timely manner; Requested the secretariat to pursue its review of the feasibility of extending the coverage of common system data to staff under other contractual arrangements than those currently in force.
- **Financial support for FICSA** - Without commitment, requested FICSA to present a more formal proposal giving details of its programme and budget, incorporating – to the extent possible – an analysis of funding arrangements for each of FICSA’s member associations; decided to invite CCISUA to provide similar information; requested that the secretariat, together with a small working group of interested agencies, assist FICSA and CCISUA with these presentations; further requested that the staff bodies submit such requests to HLCM through the HR and FB networks.

B. Coordination with UNDG

31. At its March 2003 meeting, the Network had agreed that coordination issues with the UNDG should be a standing item on the agenda of future meetings of the HR Network.

² For the full text of HLCM decisions, see CEB/2003/3.

32. The Network:

- ❖ Took note of the concern expressed by HLCM at its Fifth Session – particularly in terms of possible duplication of effort – at the plethora of groups, that had convened to review problems in the HR area (some as part of UNDG).
- ❖ Appreciated the proposal that the Directors of HR of UNDG meet with the objective of reviewing the current situation and making recommendations for cooperation with the HR Network.
- ❖ Requested the UNDG secretariat to share the outcome of that meeting with other organizations through the CEB secretariat with the view to establishing an approach for the future.

X. OTHER BUSINESS

ICSC Mobility and Hardship Working Group

33. The Network:

- ❖ Took note of the outcome of the one day working group.
- ❖ Agreed that organizations should provide their comments on the questionnaire speedily in view of the fact that the next round would begin in August.
- ❖ Considered that UNSECOORD and the Medical Directors should play a greater role in the determination of hardship ratings.
- ❖ Reiterated the importance it attached to consultation between the ICSC and CEB secretariats to ensure the effectiveness of inter-agency working groups.

ANNEX I
Agenda as adopted on 9 July 2003

I. Adoption of agenda and work programme CEB/2003/HLCM/13/Rev.1

II. Selection of spokespersons

III. Issues under consideration by ICSC:

A. Framework for Human Resources Management

(a) Review of the pay and benefits system:

- | | |
|---|-------------------|
| (i) Pay for performance and broad banding/pilot study | ICSC/57/R.2 |
| (ii) Validation and promulgation of the revised master standard | ICSC/57/R.2/Add.1 |
| (iii) Qualitative and quantitative information on performance management in the common system | ICSC/57/R.2/Add.2 |

(b) Contractual arrangements ICSC/57/R.3

(c) Mobility ICSC/57/R.4

B. Conditions of service of the Professional and higher categories:

(a) Linkage between the mobility and hardship allowance and base/floor salary scale ICSC/57/R.5

(b) Evolution of the United Nations/United States net remuneration margin ICSC/57/R.6

(c) Draft agenda for the twenty-sixth session of the Advisory Committee on Post Adjustment Questions ICSC/57/R.7

C. Conditions of service of the General Service and other locally recruited staff:

- | | |
|---|-------------|
| (a) Review of the methodology for surveys of best prevailing conditions of employment at headquarters duty stations | ICSC/57/R.8 |
| (b) Review of the methodology for surveys of best prevailing conditions of employment at non-headquarters duty stations | ICSC/57/R.9 |

D. Hazard pay for locally recruited staff ICSC/57/R.10

E. Mission subsistence allowance/special operations approach ICSC/57/R.11

F. Implementation by organizations of decisions and recommendations of the International Civil Service Commission ICSC/57/R.12

IV. Senior Management Service

V. Greater commonality in health insurance arrangements

VI. Health risk situations: administrative and medical response CEB/2003/HLCM/19

VII. FICSA submissions:

- | | |
|--------------------------|------------------|
| (a) Domestic Partnership | CEB/2003/HLCM/14 |
| (b) Field Issues | CEB/2003/HLCM/15 |
| (c) Dependency Status | CEB/2003/HLCM/16 |

VIII. Organizational Learning Framework CEB/2003/HLCM/17

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

- | | |
|--|------------------|
| (a) Matters arising from the meeting of HLCM | CEB/2003/HLCM/18 |
| (b) Coordination with UNDG | |

X. Other business

ANNEX II
List of Participants

Org.	Name and title	Email address
UN	Ms. Jan Beagle, Director, Specialist Services Division	beagle@un.org
	Ms. Marianne Brzák-Metzler, Chief, Conditions of Service Section	brzak-metzler@un.org
	Ms. Regina Pawlik, Deputy Chief, Conditions of Service Section	pawlik@un.org
ILO	Mr. Gek-Boo Ng, Director, Human Resources Development Department	ng@ilo.org
	Mr. David Macdonald, Manager, HR Operations and Dev't Branch	macdonald@ilo.org
FAO	Mr. Gregory Flood Chief, Personnel Policy & Planning Branch	gregory.flood@fao.org
ICAO	Mr. Sonny Ocampo, Chief, Personnel Branch	jocampo@icao.int
UNESCO	Ms. Dyane Dufresne-Klaus, Director, Bureau of HRM	d.dufresne-klaus@unesco.org
WHO	Ms. Enid Steward-Goffman, Coordinator, Policy Dev't, HR Services	stewardgoffmane@who.int
	Ms. Sigrid Kranawetter, HR Specialist, Remuneration Policy, Policy Dev't	kranawetters@who.int
UPU	Mr. Michael Mauer, Director of Human Resources	michael.mauer@upu.int
WMO	Ms. Virginia Guerrero, Chief, Human Resources Division	guerrero_v@gateway.wmo.ch
IMO	Mr. Leif Gunnstedt, Head, Personnel Section	lgunnstedt@imo.org
WIPO	Mr. Herman Ntchatcho, Director, HRM Department	herman.ntchatcho@wipo.int
IFAD	Ms. Beatrice Kimani, Director of Personnel	b.kimani@ifad.org
UNIDO	Mr. Julio Camarena, Director, HR Management Branch, Field Operations & Administration Division	jcamarena@unido.org
IAEA	Ms. Unni Vennemoe, Director, Division of Personnel	u.vennemoe@iaea.org
UNDP	Ms. Deborah Landey, Director, Office of Human Resources	deborah.landey@undp.org
	Ms. Martha Helena Lopez, Chief, Policy, Office of Human Resources	martha.helena.lopez@undp.org
UNFPA	Mr. Ian Howie, Chief, Office of Personnel and Training	howie@unfpa.org
UNEP	Mr. Alexander Barabanov, Chief, Division of Administrative Services	alexander.barabanov@unon.org
UNICEF	Mr. Ibrahima Fall, Director, Division of Human Resources	ifall@unicef.org
	Mr. Michael Corbett, Deputy Director, Division of Human Resources	mcorbett@unicef.org
	Ms. Mercedes Gervilla, Human Resources Officer, Policy Unit	mgervilla@unicef.org
UNHCR	Mr. Kiyoshi Murakami, Head, Career & Staff Support Services	murakami@unhcr.ch
	Ms. Marta Leichner-Boyce, Policy & Administration Officer	leichnem@unhcr.ch
	Mr. Michael Alford, Chief, Staff Development Section	alford@unhcr.ch
UNOPS	Ms. Miekko Tarui, Acting Officer, Division for HRM	miekot@unops.org
WFP	Ms. Diana Serrano, Director, Human Resources Division	diana.serrano@wfp.org
	Ms. Ana Louiza Thompson-Flores, Head, Policy Monitoring Unit	ana.thompson-flores@wfp.org
UNAIDS	Ms. Johanne Girard, Manager, Human Resources Management	girardj@unaids.org

ICSC	Mr. Kingston Rhodes, Executive Secretary	rhodes@un.org
	Mr. Manfred Ordelt, Chief, Salaries and Allowances Division	ordelt@un.org
FICSA	Mr. Richard Kerby, President	Richard.kerby@undp.org
	Ms. Anne Marie Pinou, Research and Liaison Officer	76521.335@compuserve.com
	Mr. Todd Larson, Senior Counsellor, WIPO Liaison Office	larsont@un.org
UNDG	Mr. Richard Dictus, Chair of the MG Personnel Policies Working Group	richard.dictus@undp.org
CFC	Ms. Rebecca Hinchliffe, Personnel Assistant	pcl@common-fund.org
CTBTO	Ms. Yeshiareg Mekonnen, Chief, Personnel Section, Division of Admin.	Yeshiareg.Mekonnen@ctbto.org

CEB Secretariat	Mr. Roger Eggleston, Secretary, HLCM	roger.eggleston@unsystem.org
	Ms. Mary Jane Peters, Inter-Agency HRM Advisor	mary.jane.peters@unsystem.org

ANNEX III

ISSUES/DELIVERABLES/TIMELINE FOR ACTION BY ORGANIZATIONS ARISING OUT OF DECISIONS OF HLCM IN JUNE 2003

ISSUE	ACTION(S)	DELIVERABLE	COMPLETION DATE
1. "Vision" for Inter-Agency Mobility.	Draft to be prepared by CEB Secretariat and cleared electronically. The vision will include reference to the value of inter-agency mobility inter alia for sharing experience and expertise for career development and for strengthening the effectiveness of the UN system itself.	"Vision" statement adopted at October HLCM.	October 2003
2. HLCM Working Group.	<p>Working group to be established in September 2003 to make comprehensive recommendations to HLCM in respect inter alia of:</p> <ul style="list-style-type: none"> -revisions to the CEB Inter-agency agreement on loan, transfer and secondment. -policies in respect of promotion and other career support for staff on loan, transfer and secondment as well as other measures related to reinsertion with the releasing organizations. -policies in respect of treatment of all UN system applicants for posts as internal candidates. -review of other administrative impediments including health insurance provisions with a view to eliminating them or at least reducing their impact on inter-agency mobility. -listing all UN system vacancies on the UN system extranet. -review of agreement for loan arrangements 	Report to HLCM in Spring 2004.	Spring 2004 with possibility of extension to Autumn 2004

ISSUE	ACTION(S)	DELIVERABLE	COMPLETION DATE
	<p>between International Financial Institutions - including the World Bank and IMF and its relationship to UN system and applicability to other not-for profit organizations and the links to Pension Fund arrangements etc.</p> <p>ensuring that organizations recognize experience gained in other organizations in job specifications and vacancy notices.</p> <p>-review on the basis of input from the HR Network, of further harmonization/simplification of entitlements linked to inter-agency mobility (e.g. relocation grant).</p>		
3. Spouse Employment	(a) Encourage organizations to join UNDG Spousal Employment Policy.		Ongoing
	(b) CEB Secretariat to pursue PAMS Phase II, in most appropriate manner, expanded (i) to include both a job and a resume/CV bank and (ii) to incorporate additional international not-for-profit organizations (outside UN group) and potentially other sectors in the system.	Discussion already held with potential service provider to develop joint proposal.	Mid 2004
	(c) Establishing links with <i>partnerjob.com</i> and <i>permitsfoundation.com</i> .	Meeting with <i>partnerjob.com</i> and <i>permitsfoundation.com</i> in September.	Report to HLCM October 2003
	(d) Prepare letter from UN-USG for Management to Resident Coordinators to urge action with member states in respect of making permits available for (UN system) spouses.	Letter dispatched.	July 2003

ISSUE	ACTION(S)	DELIVERABLE	COMPLETION DATE
	(e) CEB Secretariat to survey the current provisions for the issuance of work permits to spouses/partners of UN system staff members worldwide.	Report	End 2003
	(f) HR Network urgently to provide advice on extension of policies in respect of spouses also to domestic partners. In this respect, the HR Network is establishing a task force to work on common system policies for the recognition of domestic partnerships as dependants.	Report from HR Network to HLCM.	October 2003
4. Induction/ Briefing	Introduce in all induction programmes a module on the UN system as a whole to ensure that staff members are aware that they are part of an international civil service.		Ongoing
5. Financial incentives to mobility.	HR Network in collaboration with Working Group (see 2 above) to bring forward proposals to present to ICSC in context of ICSC's 2004 review of entitlements taking into account current entitlements and earlier proposals for strategic "bonuses" linked to rotation/mobility.	Report to HLCM for transmission to ICSC in Spring 2004.	HLCM/ICSC Spring 2004 sessions

N.B. HLCM has also specifically instructed its Secretariat to harmonize to the greatest extent possible efforts concurrently being pursued by UNDG and groups of field based and other organizations to ensure commonality of purpose and to avoid duplication.