

**Chief Executives Board
for Coordination**CEB/2011/5
17 October 2011**Conclusions of the Twenty-second Session of
the High Level Committee on Management
(Washington, D.C., 26-27 September 2011)****TABLE OF CONTENTS**

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Introduction and Conversation with the United Nations Foundation

1. The High Level Committee on Management held its twenty-second session on 26-27 September 2011 in Washington, D.C., hosted by the UN Foundation. The meeting was chaired by the Committee's Chair, WFP Executive Director, Josette Sheeran, and by its Vice-Chair, UNAIDS Deputy Executive Director, Jan Beagle.
2. The HLCM Chair thanked the President of the UN Foundation, Senator Tim Wirth for hosting the meeting. She also welcomed the presence of Ms. Kathy Calvin, Chief Executive Officer, Ms. Minh-Thu Pham, Director of Public Policy and Mr. Peter Yeo, Executive Director of the UNF Better World Campaign.
3. The hosting of this 22nd session by the UN Foundation was received with great pleasure by the Committee. As a body with representatives from some 30 organizations and entities within the United Nations system, the HLCM's tradition of rotating the role of meeting host offers members valuable insight into sister organizations.
4. The Chair commended the Foundation for the work it has done to pioneer a new way of doing business for the United Nations. In partnership with the United Nations, the Foundation has used grants to seed innovation in critical areas and worked with tireless enthusiasm to model and advance the adoption of best business practices, as well as to improve efficiency and effectiveness.
5. After her welcoming remarks, the HLCM Chair offered some reflections on the current environment in which UN system organizations are operating.
6. The demands being placed on the UN system are greater now than they have ever been, and delivery is expected under increasingly demanding conditions. At the opening of the 66th session of the General Assembly, the Secretary-General summed up these challenges by outlining five imperatives - five generational opportunities to shape the world of tomorrow by the decisions we make today. These include:
 1. Sustainable development
 2. Prevention (of conflict and natural disasters)
 3. Building a safer and more secure world
 4. Supporting nations and transition
 5. Working with and for women and young people.
7. The only way the United Nations can meet these challenges is by adapting and becoming more efficient and accountable, with a talented and mobile workforce operating in safe and secure conditions.
8. The HLCM Chair was pleased to note that the Committee is at the forefront in addressing all of these issues. The Committee's agenda supports the on-going need to collectively and efficiently deliver on wide-ranging mandates and thereby invites the confidence of Member States.
9. The President of the UN Foundation addressed the Committee echoing many of the points raised by the HLCM Chair. Senator Wirth underlined the importance for the United Nations, as a political institution, to nurture and maintain its constituency. Governments and citizens alike do not

always fully understand the scale and the universal nature of the United Nations. Improving this understanding requires greater transparency and raising awareness of what the UN system does and how effective it has become. Because the UN is not always good at telling its story, the System risks being crowded out by institutions that are better at doing so. In order to address this communication challenge, the United Nations system and its partners have to consider more direct and emphatic approaches to communication.

10. The conversation with the UN Foundation continued during a special lunch session on “Strengthening the United Nations and Telling the Story”. The importance of communicating to the public the work and the achievements of the United Nations was a central theme in this debate. In this respect, the work performed by HLCM was deemed fundamental, as much of the criticism of the UN is focused on management issues, including transparency, efficiency and best practices. Unless effectively addressed, these criticisms can lead to an erroneous and detrimental image of the organization.

11. In the ensuing discussion, participants noted that there is often little space in mainstream media to positively influence the perceptions of the United Nations. In this respect, the UN Foundation underlined the importance of developing strong communication campaigns providing their representatives with tools to justify to their constituents their support of the UN.

12. With HLCM being at the heart of the Secretary General’s efforts to “do more with less”, and with many of the Committee’s initiatives supporting that goal, the Foundation recognized an opportunity to successfully communicate positive changes at the United Nations.

13. Methods of communication were also discussed. As recent experiences in Haiti and in the Arab Spring showed, modern media can have a huge impact on the work of the United Nations.

14. The Committee agreed that continued improvement is critical, and more effective communication about what is being done to that end is necessary. The HLCM Chair concluded the discussion by recognizing that it is natural and just for UN organizations to always be under close critical scrutiny. In response, however, the UN should aim at always matching or leading best practices for public institutions.

15. **HLCM agreed to a proposal by the Chair for the creation of an HLCM Communications Working Group to address how to positively influence perceptions of the UN Brand, and tasked the CEB Secretariat to start working on making arrangements for its establishment and launch.**

I. Adoption of the agenda and programme of work

Documentation:

- ✓ *CEB/2011/HLCM/16/Rev.1 – Revised Agenda*
- ✓ *CEB/2011/HLCM/16/Add.1 – Programme of work*
- ✓ *Checklist of Documents*

16. The agenda as adopted by the Committee is reflected in the table of contents.

17. The complete list of participants is provided in Annex I.

18. The checklist of documents is in Annex II. The Statement by FICSA (supported by UNISERV) is in Annex III; the statement by CCISUA is in Annex IV. All documents related to the session are available on the CEB website at: <http://www.unsceb.org/ceb/mtg/hlcm/september-2011/>

II. Dialogue with the Staff Federations

Documentation:

- ✓ Statements: CCISUA, FICSA & UNISERV

19. Before the start of the formal session, the HLCCM Chair and Vice-Chair invited the Staff Federations for an informal welcome breakfast.

20. Following consultations with HLCCM members, the Federations had been invited to attend, as Observers, the following items of the HLCCM regular agenda: Security and Safety of Staff; Programme Criticality Framework; Briefing by the HR Network; and, Mandatory Age of Separation.

21. The Committee's dialogue with the Staff Federations touched on a number of key subjects that were introduced as priorities in the statements delivered by the Federations' representatives.

22. Staff safety and security remains central to the concerns of the Staff Federations, particularly as it relates to recent tragic attacks to UN personnel, most recently in Abuja; to the new "how to stay" approach; and, to the discussion on programme criticality.

23. While acknowledging that the Organization cannot completely guarantee staff members' safety and security, and that a certain level of risk has always been accepted in order to serve the people of the world, the Staff Federations cannot accept that programmes take precedence over personnel. Staff members should not be expected to work in environments where they frequently face injury or possible death.

24. As the world situation changes and more staff become subject to dangerous assignments and hazardous working conditions, the Federations believe that a comprehensive review is needed of the policies affecting staff members (and their families) for service-incurred injuries and death.

25. The Federations unanimously voiced their appreciation for the action conducted by UNDSS to protect the safety and security of UN staff, indicating that the approach adopted to date was very open and receptive of staff's concerns.

26. On human resources matters, the Federations expressed disappointment at the attitude of Commissioners during the 73rd Session of the ICSC, indicating that the Commission was not receptive to suggestions from the organizations or staff representatives regarding issues that should be taken into consideration when making decisions.

27. Two recent surveys on the Mandatory Age of Separation, one carried out by CCISUA/UNISERV and the other by FICSA, gathered the views of around 11,000 staff. Results from both surveys indicate that staff would support an increase in the mandatory age of retirement. However, this should be done without prejudice to the acquired rights of those who are currently in the system to retire with full benefits at their current mandatory retirement age of 60 or 62. There is a strong call for the decision to work beyond 60 or 62 to be voluntary and decided by the staff member. In continuing to

work on this matter, the Staff Federations expressed the view that the impact of any change in the current provisions would need to be carefully considered before taking any decision.

28. The Federations thanked the Committee for the opportunity to address this gathering, and to remain for some agenda items. They also indicated their continued commitment to work with the different parts of the CEB to foster a better environment for staff. In doing so, the Federations also indicated their strong preference to be in attendance for the entire meeting, and to have a part in decision making on all items on the agenda.

29. The Committee thanked the representatives of the three Staff Federations for their statements and for their continuing spirit of collaboration.

III. Security and Safety of Staff

Documentation:

- ✓ CEB/2011/HLCM/17 – Road Safety Policy
- ✓ CEB/2011/HLCM/25 – Briefing note on HR Action taken for staff & families affected by the bombing of UN offices in Abuja

A) Briefing by the Under-Secretary-General for Safety and Security

30. As part of this standing agenda item, the USG/DSS made a presentation on how tools put in place in the UN Security Management System during 2010 were used in 2011, through all recent crises.

31. A central point of the USG's presentation was that security has to be an enabler, i.e. allowing UN mandates to be carried out while keeping UN personnel safe and secure.

32. The Secretary-General's report on the Safety and Security of United Nations and Associated Personnel for 2010 showed an encouraging and significant drop in the number of personnel killed by violence since the last report for 2009. Although lives of UN personnel were lost and many were injured (in natural disasters and airplane crashes) the drop in the number of lives lost from violence during 2010 demonstrated how smart, active, and well-financed security management can bring about better results. Unfortunately, in 2011, with the attacks in Mazar-i-Sharif (Afghanistan) and Abuja (Nigeria), this picture has dramatically deteriorated.

33. To compound the situation, the general sense that humanitarian operations are somewhat shielded from major security concerns has eroded even more over the last two years. Despite this, Member States have repeatedly re-affirmed their expectation for the UN to remain present and operate in places plagued with instability and violence. Systems in place, therefore, need to be more agile and swift, which in turn requires significant investment.

34. Experience with the tools put in place in the UNSMS over the last two years is encouraging. Examples from Tunisia, Libya, Yemen, Syria and Egypt were cited to illustrate how the UNSMS is working well to enable programmes while protecting personnel at the same time. The new SLS, though still needing further refinement, nevertheless serves to provide a better and quicker understanding of threats faced. Further work is being done with the IASMN to improve security analysis systems to

improve their speed and accuracy. More analysts have been put in the field and at DSS Headquarters and more decision making has been devolved to Designated Officials and Security Management Teams. It is for this reason that a greater emphasis has been placed on training for DOs, SMTs and staff on how to operate within high risk environments.

35. The IASMN was praised for its hard work, as were the Staff Federations in acknowledgment of the open dialogue and their active participation in the IASMN.

B) Bombing of UN offices in Abuja, Nigeria

36. Together with the DSG, the USG/DSS travelled to Abuja within 24 hours of the attack. The response by the DSS' Critical Incident Stress Counselling Unit, the medical emergency teams and the security and administrative components of the agencies, funds and programmes was a commendable example of a coordinated and effective system-wide intervention. This was largely due to the availability of greater resources and to lessons learned in the aftermath of earlier attacks in Iraq and Algeria. HLCM was also informed that a Board of Inquiry on Abuja still needed to be convened, as had been the case for Mazar-i-Sharif.

37. The briefings by the HR Network Co-Chair and by the Chair of the Medical Directors Working Group offered some additional evidence of the quality and effectiveness of the concerted response by UN system organizations to the attacks. The comprehensive document prepared by UNDP as Chair of the HR Network Standing Committee on Field Duty Stations outlines all measures taken with respect to staff members. Where the existing provisions under HR policies and insurance plans include compensation for death, injury or illness attributable to the performance of official duties on behalf of the UN, no ex-gratia payments in relation to the bombing in Abuja would apply. However, there may be flexibility for organizations to apply ex-gratia payments where there is no insurance coverage. Should any organization need to proceed with ex-gratia payments, another round of system-wide consultations would take place to ensure consistency in the level of compensation across the board. Some open issues remain, particularly with respect to compensation for losses or injuries of "non-staff" personnel. Consultations are, therefore, still ongoing among the Legal Offices of the various organizations, including the UN Office of Legal Affairs (OLA), on claims from third parties, to ensure consistency in this and any future cases.

38. HLCM recalled that the UN Medical Emergency Response Team (UNMERT) was originally approved as a concept by the Committee in 2004, while the Medical Directors plan was endorsed in 2009. In Abuja, UNMERT procedures were activated immediately after the bombing. Teams from New York Headquarters and UNON Nairobi were mobilised. The first team members were in Abuja by midday on 27 August, and the team was completed by the evening, supplemented by WHO medical staff. Assessments, triage, and evacuations took place between 27 and 30 August, while the recovery phase continued between 1 and 9 September. Follow up with victims, medical and financial administration is still ongoing. This response has been recognized as one of the quickest and most coordinated of its kind. During the entire operation, the support provided by Netcare SA and International SOS was critical. Overall, HLCM noted with great appreciation the effectiveness of the response provided by UNMERT, as well as the need for its stable and adequate funding. The Committee also noted that, as part of the Security Management plans in-country and in conjunction with business continuity measures, mass casualty/evacuation trainings are important components that need to be undertaken.

C) IASMN issues

39. The new Road Safety Policy was introduced by the USG/DSS, who also highlighted some statistics on road accidents: 16 UN personnel were killed in road accidents and 147 injured in 2010, as well as 33 non-UN personnel killed and 152 injured in accidents involving UN vehicles in 30 countries. Compared to the 5 persons reported as being killed by acts of violence, these figures indicate that addressing road safety is urgent. The new policy would provide one set of safety standards for the entire UN system.

40. The issue of emergency funding was presented to the Committee following a request by the IASMN for the identification of coordinated and stable modalities for funding security needs in crisis situations. This request arose in light of previous attempts to examine existing modalities that could be used to fund emergency security needs, such as the Secretary-General's contingency fund or launching a consolidated appeal.

41. On Managing Risks from Natural Disasters, the IASMN indicated that the UNSMS does not have the capacity, tools, knowledge, or expertise to properly or accurately assess the likelihood and impact of natural disasters, such as earthquakes, affecting the UN. While the UNSMS must address the security management aspects of the effects of and response to natural disasters for UN personnel and premises, the assessment and management of the risk from natural disasters are a collective responsibility, as they have an impact beyond security and pose longer-term problems requiring expertise outside the scope of the UNSMS. Therefore, the IASMN concluded that assessing and managing the risk from natural disasters required a process to be established outside of the UNSMS.

The Committee:

42. Took note with appreciation of the briefing by the USG/DSS.

43. Took note with appreciation of the note prepared by the HR Network Standing Committee on Field Duty Stations on outstanding issues related to staff and families affected by the heinous bombing of the UN Premises in Abuja, and commended the HR Network for having reached agreement on coordinated HR actions to ensure a system-wide harmonized response.

44. Expressed appreciation to the United Nations Medical Emergency Response Team (UNMERT) for its prompt and effective action.

45. Approved the Road Safety Policy as outlined in CEB/2011/HLCM/17.

46. Requested the Finance and Budget Network to examine available or new funding options for emergency needs.

47. Noted that while the United Nations Security Management System (UNSMS) must manage the security management aspects of the effects of and response to natural disasters for UN personnel and premises, managing the risks from natural disasters affecting the UN is a collective responsibility, cutting across many disciplines in the UN system and, as such, requires broader consideration, outside of the UNSMS.

IV. Programme Criticality Framework

Documentation:

- ✓ *CEB/2011/HLCM/18 – Final Programme Criticality Framework*
- ✓ *CEB/2011/HLCM/18/Add.1 – PCF proposed Implementation Plan and Budgetary Arrangements*

48. In April 2009 the Chief Executives Board approved the United Nations Security Management System (UNSMS) Guidelines for Acceptable Risk (Acceptable Risk Model). Later field testing of the Guidelines identified the need for greater clarity on programme criticality. In June 2010 the High-Level Committee on Management therefore established a Programme Criticality Working Group (PCWG), under the leadership of Hilde F. Johnson from UNICEF. This group's goal was to "define four levels of programme criticality and develop a common framework for informing decision making within the guidelines for acceptable risk".

49. Martin Mogwanja, as new UNICEF Chair of the Working Group, presented the Programme Criticality Framework developed by the Group and the proposed implementation plan. The Framework includes a methodology and a tool for informed decision making while determining programme criticality of activities carried out by UN system personnel.

50. The Programme Criticality Framework would be used to determine the programme criticality (PC) level for specific activities within a given geographic location and timeframe. This PC level would then be used in the Acceptable Risk Model to ensure that UN personnel do not take unnecessary risk and that those who remain in-country, work on highest priority activities in accordance with UN strategic results. The Framework would also allow country-level programme managers to design programmes and activities to be within predictable, known and acceptable risks. The PC Framework was developed through extensive consultation at headquarter and field levels, including field testing in Somalia, Kenya and Democratic Republic of Congo.

51. A key element of the Framework is its integration with the new UN Security Management System (UNSMS) and, particularly, its value as a tool for implementing the newly adopted "how to stay" approach. The Framework is not about staying at any cost, rather, it ensures that the programmes and personnel that remain in any country are working on the highest priority functions and programmes. In turn, these are defined as those supporting the strategic objectives of the United Nations system. Within this approach, the possibility for any staff to opt for "not-staying", without being penalized by their organizations, was re-affirmed.

52. The Committee recalled that the Programme Criticality Framework represented the last step in an effort, led by USGs Susana Malcorra and Gregory Starr, with active and high-level engagement by all HLCM members, to re-design the UN Security Management System. Such effort has led to the approval by CEB, in the past three years, of many new tools, criteria, and procedures, including the new Security Level System.

53. The Committee thanked UNICEF for accepting this responsibility and for guiding the Working Group to the completion of the new Framework.

54. The Staff Federations, affirming the paramount principle that staff should not face undue risk, expressed appreciation for the work undertaken, stressing that the key issue was to make sure that all possible risk-reduction measures be put in place in any circumstances, and that the decision to continue

to operate in a given location be made solely to carry out the highest-priority mandates entrusted to the UN in that particular context.

The Committee:

55. Approved the Programme Criticality Framework (methodology and tool) for decision making within the Guidelines for Acceptable Risk, as outlined in document CEB/2011/HLCM/18, and submitted it to CEB for endorsement at its upcoming fall session on 28 October 2011.

56. Recommended that the Programme Criticality Framework be rolled out in at least 12 high priority countries (between January 2012 and April 2013) and that a consolidated progress report (with lessons learned and recommended adjustments) be made to HLCM at its 2013 spring session, following a preliminary update at the fall 2012 session. The list of 12 countries could be adjusted if so required by changing security conditions.

57. Affirmed that the above rollout is a collective UN-wide responsibility and will be undertaken by a “Programme Criticality Coordination Team” comprising members of DFS, DOCO, FAO, ILO, OCHA, UNAIDS, UNDP, DPA, DPKO, DSS, UNFPA, UNHCR, WFP, WHO, UNEP and UNODC (under UNICEF’s leadership) and supported by new funding arrangements for global coordination and management, travel and related expenses for in-country training and the development of a Programme Criticality e-training package.

58. Tasked the above “Programme Criticality Coordination Team” to develop a detailed Funding Proposal with Implementation Plan and Budget for the rollout of the Programme Criticality training, along the principles, activities and requirements outlined in document CEB/2011/HLCM/18/Add.1. The finalization of this Funding Proposal remains essential in order to cover the costs of the rollout and to ensure that all related activities are implemented on schedule. The Committee further noted that, should sufficient funding not be made available on time, it would delay the start date, as well as scheduled training activities and expected results.

V. Common Principles on Results Reporting

Documentation:

- ✓ *CEB/2011/HLCM-UNDG/1 - Final report on Common Principles on Results Reporting*
- ✓ *CEB/2011/HLCM-UNDG/1/Add.1 – Proposed plan for the operationalization of the Common Principles*

59. In November 2010, Helen Clark, undg Chair, and Josette Sheeran, HLCM Chair, launched a high level HLCM-UNDG study, co-led by UNDP and WFP, to identify standardized principles of results reporting. The joint initiative was in response to the continuing and urgent call from Member States, in the context of the TCPR, SWC and other GA resolutions, for improved reporting, linking funding to demonstrable results.

60. UNDP and WFP, with support from the Boston Consulting Group, worked with UN agencies, the private sector, NGOs, OECD, and individual donors to determine and assess different approaches which might align with prevalent UN results reporting requirements. The study included two undg/HLCM consultations (one in Rome and one in New York) of UN results reporting experts. Fourteen UN entities were represented during these consultations, which helped to define,

shape and reach consensus on the final report. Rather than a single framework, the goal of the study was to propose and agree on common UN results reporting principles, which could be embraced by all UN agencies to clarify and improve results reporting practices.

61. The study (CEB/2011/HLCM-UNDG/1) provides clearer understanding of results reporting challenges and supports the adoption of a standardized language by the UN system. It makes the case that reporting on the various contributions of operational and normative functions of UN system organizations towards their mandated results should offer a reliable indication of value for money; and, that reports should be based on the common tenets of mutual accountability, transparency, efficiency and effectiveness. The agreement of common reporting principles would represent the first step towards more simplified, consistent, and measurable reporting on results by the UN system organizations.

62. The study also proposes some further action for the implementation of the principles, as follows:

- Incorporate the results principles approach into organizations' various reporting practices, accountability systems and discussions.
- Simplify the existing reporting mechanisms. It is recommended that all normative guidance relating to the preparation of system wide reporting (e.g. the Resident Coordinators' annual reports and reporting on the UNDAF) be adjusted accordingly. UN organizations would be responsible for their own modifications to ensure common and coordinated approach. HLCM Networks and UNDG/DOCO would be tasked with ensuring simplification of results reporting instruments.
- Innovate. Piloting of new reporting models is recommended, whereby one or more agencies would assume the leadership in reporting innovation in a specific sector (on a cross-sectoral issue). These pilots could be under UNDG/HCLM or either, as determined.

63. The ensuing discussion stressed the importance of results reporting as one of the key issues in the agenda of Member States, as well as one of the most serious obstacles to collaboration reported by UN Country Teams.

64. HLCM noted that UNDG had already reached the following conclusions regarding this subject:

- The common principles should be integrated into organizations' systems;
- The existing Task Force should continue to work to develop a framework to simplify reporting;
- UNDG organizations should collect and share best practices.

65. Strong emphasis was placed on the fact that the UN system works on a variety of mandates that go well beyond just development, and that normative, emergency and technical work needs to be captured as well when reporting on results. Any further work on this topic should therefore explicitly cater for the diversity of the UN system.

66. There was consensus on the fact that attention to measurable results by all UN stakeholders is expected to increase. The UN system should therefore drive the response to such pressure by proactively developing appropriate tools, like the proposed common principles, that would ensure consistency and transparency towards the external world, and foster collaboration internally to the UN

system. Concurrently, the principle of mutual accountability also places an emphasis on a multi-stakeholder contribution to results.

67. Some organizations confirmed their agreement to incorporate the principles into their results reporting tools, while others indicated that they had already successfully used the proposed framework in their discussions with governing bodies.

68. In moving forward, it may be useful to link this work to the upcoming discussions about the QCPR, which represent an opportunity to draw Member States' attention to this issue. Also, the discussion on results reporting would have to be broadened to include the High Level Committee on Programmes (HLCP), as much of the reporting is related to programmatic issues. In this respect, the Secretary of the HLCP confirmed that the Committee was ready to collaborate with HLCM and UNDG, as necessary.

The Committee:

69. Endorsed the following common principles on results reporting:

Mutual accountability

- Support national governments to implement their global commitments
- Agree on a shared agenda
- Improve national M&E systems
- Engage in dialogue to facilitate learning

Transparency

- Accessible results reporting
- Balanced reporting on successes and challenges
- Understandable for intended users

Efficient use of resources

- Reporting on efficiency initiatives and relative efficiency gains of individual agencies over time
- Simplify, standardize and streamline financial, internal management and external results reporting

Effectiveness in results

- Individually and collectively reporting on contribution towards national, regional and global results

70. Recommended that member organizations incorporate, simplify, and innovate to ensure the principles are applied across all relevant business practices.

VI. Improving efficiency and effectiveness of the UN system

Documentation:

- ✓ *CEB/2011/HLCM/15 – ToR of the Sub-Committee on “Improved Efficiency and Cost Control Measures”(Phase 2)*
- ✓ *CEB/2011/HLCM/19 – Preliminary Report of the HLCM Sub-Committee.*

71. In March 2011, under the guidance of its Sub-Committee on Improved Efficiency and Cost Control Measures (Phase 1), HLCM completed an exercise (CEB/2011/HLCM/14) that identified quick and high yielding actions for increasing efficiency or controlling costs in the areas of:

1. Procurement and Common Services;
2. Governing Bodies, Meetings and Conference Services;
3. Greater application of ICT in our existing businesses and operations;
4. Adoption of new or re-designed ways of doing business;
5. Efficiency measures in Human Resources management.

72. HLCM recommendations were discussed by CEB at its Informal Breakfast session on 2 April 2011, after which the Secretary-General requested HLCM to support the overall change management process that he had asked the Deputy Secretary-General to lead, by undertaking further work on how the UN system can “do more with less”.

73. The HLCM Sub-Committee’s second phase was subsequently initiated, under the Terms of Reference reflected in CEB/2011/HLCM/15. The tasks were:

- a. The identification of selected actionable and high yielding ideas and/or summaries of experience on how CEB member organizations have successfully increased efficiency or controlled costs in the last one or two years.
- b. The creation of a prioritized list of joint actions that could be adopted by all or clusters of CEB member organizations, in the functional areas under the purview of HLCM.
- c. The initial identification of relevant financial, human resources and procurement regulations, rules and policies applicable in the UN system, whose review would be recommended for the modernization and effective management and increased cost effectiveness of UN system organizations.

74. Concurrently with the HLCM’s work, the UN Secretariat established a Change Management Team (CMT) on 1 July 2011, led by Mr. Atul Khare, Assistant Secretary-General for Peacekeeping.

75. In order to deliver on the CEB request, input on measures already adopted and on proposed new ideas was collected through an extensive consultation process, which resulted in a preliminary report on Improved Efficiency and Cost Control Measures (CEB/2011/HLCM/19). This report highlights some of the initiatives (those where there was enough data on baselines and proven or expected savings), which are being undertaken in a system-wide manner under the HLCM Plan of Action for the Harmonisation of Business Practices. Approaches that have successfully yielded, or promise to yield, significant savings for individual organizations (and can therefore be replicated by others) are also highlighted in the report.

76. The expected result of this exercise is the identification of high-yielding and proven measures for improving efficiency and cutting costs that can be implemented on an individual or system-wide basis, and contribute to the broader work on how the UN system can “do more with less”.

77. The Chair of the Sub-Committee broadly classified the measures and ideas reflected in CEB/2011/HLCM/19 as falling into three categories:

1. Harmonization: Activities that achieve economies of scale. This approach is known but success is difficult to achieve. It is, however, clear from the submissions that some progress is being made.
2. Reducing inefficiencies: This can be done as single agency activities, since efficiency is internal. Organizations can, for example, focus on travel, procurement, or energy etc. and learn how others have adopted measures in these areas. These ideas are generally straightforward and fairly easy to implement.
3. Staff cost reductions: Staff costs add up to a considerable proportion of the total costs for most UN organizations. This is an area where some potential savings could be made. The preliminary paper includes some measures in this area.

78. A fourth area not falling within the mandate of the Sub-Committee and, more broadly, of HLCM, therefore not reflected in CEB/2011/HLCM/19, would include measures to change not how we do business, but “the business we do”. This would, for example, include a review of obsolete, ineffective or duplicate mandates.

79. Recognizing that no one size fits all, since organizations have different mandates and business models, the Committee recognized the value of sharing experiences and committing as a system to joint endeavours with high potential impact. The Committee also tasked its various Networks to undertake a professional review of the relevant parts of the preliminary paper, to better inform further discussions and facilitate the inclusion of additional measures/ideas, if supported by adequate analysis and financial evidence.

The Committee:

80. Noted the initiatives for improving efficiencies and cutting costs reported by its members and encouraged a rapid scale-up or replication of these measures, where possible. It recognized the added-value of larger, system-wide savings generated by initiatives already undertaken or in the pipeline as part of the HLCM Plan for the Harmonization of Business Practices, and recommended active engagement in such projects by all member organizations.

81. Requested organizations that have put forward new ideas, or submitted preliminary information on implemented efficiency measures, to complete their submissions to the CEB Secretariat with comprehensive financial evidence by the end of October 2011.

82. Agreed to organize a Round Table discussion in November 2011 with interested HLCM members to address difficult and recurring issues on improving efficiency and effectiveness that their organizations are confronted with, and to discuss and compare promising initiatives.

83. Requested the CEB Secretariat to work with the Chair of the Sub-Committee and with organizations to complete the Report by the end of November 2011 and submit it to the Change Management Team of the Deputy Secretary-General, as per CEB’s request at its spring 2011 session.

VII. Follow-up to the High Level HLCM-UNDG Mission to identify country-level bottlenecks in business practices

Documentation:

- ✓ *CEB/2011/HLCM-UNDG/2 – Status report on the Implementation Plan as of September 2011.*

84. In 2010, at the request of the Chairs of HLCM and UNDG, a joint high-level mission to Delivering as One countries was undertaken to identify obstacles caused by lack of or poor harmonization or coordination in the area of operations.

85. In September 2010 HLCM and UNDG endorsed the joint implementation plan that was developed as an annex to the mission report (CEB/2010/HLCM-UNDG/1/Add.1). The implementation plan focuses on the following areas: Leadership and Agency Commitment, the Integrated Approach to Programme and Operations, Change Management and Business Process Review, ICT and Common Procurement, Human Resources, Finance, Common Premises, Legal, and the Harmonized Approach to Cash Transfer. HLCM Networks and UNDG Working Groups have incorporated the identified priorities in their work-plans, as also reflected in the HLCM Prioritized Programme of Work (CEB/2011/HLCM/6).

86. The Committee received a briefing from the Mission Co-leads on the status of the Implementation Plan, with an outline of the activities that have been launched or completed in each area.

87. Collaboration between UNDG – through its Joint Funding and Business Operations Network - and HLCM - through its various Networks - has continued to work well. The Joint Mission represented a turning point in this collaboration, which is now fully institutionalized, while follow-up action on the resulting joint implementation plan is well on track.

88. Building on the findings of the Joint Mission, a strong emphasis has been placed by both HLCM and UNDG on the critical importance of leadership in the area of business practices. Some highlights of the work on the implementation plan are summarized below.

89. In Procurement, building on experiences in Tanzania and Mozambique, a project on harmonization of processes and procedures, led by UNICEF, has been launched with funding from the HLCM trust fund for the harmonization of business practices (HBP). The project will revise inter-agency guidelines and provide for the adjustments of organizations internal policies and procedures to facilitate collaboration in this area, thereby removing one of the key obstacles to the effective functioning of joint operations in the field.

90. A second initiative that builds on the experiences in Tanzania and Mozambique is in the ICT area, where WFP will be leading an HBP project for the up-scaling of common network services and ICT infrastructure in the field. It is important to note that this project will only be a pilot to assist up to five additional countries to implement the common ICT solutions, while a global initiative would require significant investment and commitment by organizations.

91. In the area of Human Resources, under the lead of UNESCO, the HR Network is addressing some of the key obstacles to working as a System that were identified during the missions. A recently funded HBP project will specifically focus on the Recruitment and Selection processes for GS staff and

National Officers at country level, addressing the need for common definition and treatment of applicants from other agencies as “internal” candidates, as well as the need for common assessment tools and inter-agency interview panels.

92. Responding to the key objectives of increasing leadership and agency commitment in the area of business practices, as well as of approaching programmatic and operational planning in an integrated fashion, training programmes have been developed and delivered by the UN system Staff College, with joint support by the HLCM HBP trust fund and by UNDG/DOCO. Such programmes aim to incorporate business practices into the programming process by targeting both operations and programme members of UN country teams, together. The initial feedback from the participants has been very positive. However, successful implementation of the plans prepared by UNCTs will require continued leadership at all levels.

93. Considerable progress has been achieved by UNDG in connection with HACT. Challenges have been identified and new training material has been completed. Also, a global assessment of HACT is expected in November 2011, which promises to provide information to move forward even more effectively.

94. Finally, the UNDG Common Services working group is focusing on indicators to measure efficiency gaps. A Monitoring & Evaluation framework for Common Operations is being developed. Once completed and implemented, this would help the UN system respond to the increasing pressure for measurable results in the area of efficiency gains.

95. In their concluding remarks, the Mission Co-leads noted the importance for the UN system to continue to focus on overcoming obstacles to effectively working together, through the active commitment by leadership at the Headquarters, Regional and Country level. Concurrently, the effort towards Delivering as One should be reinforced by recognizing and rewarding UNCT members for collaborative work.

The Committee:

96. Took note of the progress made by both HLCM Networks and the UNDG, and further recognized that continued efforts and focus on addressing obstacles to country-level implementation must be given full support and priority by all organizations.

97. Requested a final report on the follow-up to the joint implementation plan for its fall 2012 session.

VIII. HLCM Networks

A) Human resources



Documentation:

- ✓ *CEB/2011/HLCM/21 – ToR of the HBP Project “Open recruitment for GS staff and National Officers at the country level”*

(i) Harmonization of Business Practices

98. The HR Network Co-Chair introduced this HBP initiative as a direct follow-up to the comprehensive report on the “Review of Contractual arrangements, staff regulations, rules and practices”, completed by the HR Network in October 2010, and to the findings of the joint HLCM-UNDG Mission to Delivering as One countries.

99. One of the priorities identified was the harmonization of vacancy advertisements and selection processes at country level for GS and National Officers positions. The project proposal developed by UNESCO provides for a phased approach with limited scope at the outset, with a view to ensuring the success of the pilot without creating an added administrative burden. The pilot would not override existing local initiatives in this area, but would rather complement them. The project would comprise two stages: (a) definition of needs and establishment of job profiles (of GS and NO posts), and (b) development of tools for the evaluation stage: templates for harmonized assessment tests and interviews. The aim is to reduce competition locally, and ultimately take advantage of economies of scale. The project would seek inter-agency participation and the sharing of rosters of pre-screened candidates. Uruguay and Viet Nam, two Delivering as One countries which do not have multiple duty stations, were proposed as the pilot locations. Following an assessment of the pilots, the HR Network and HLCM would decide how to broaden the scope of this initiative.

100. The proposal received strong support by the Committee and by the Staff Federations, which also suggested proceeding with the choice of the pilot locations after confirming that there would be enough staff turnover to get meaningful results.

101. In connection with HR matters in Delivering as One pilot countries, the ICSC Vice-Chairman informed the Committee that the HR Network and the ICSC secretariat had discussed the possibility of collaborating on a project to implement the general service job classification standard in the Delivering as One pilot countries. The project aims to ensure that all staff members within a duty station are similarly treated with respect to the classification of their posts, while also providing for recruiting mechanisms to ensure that staff members with the greatest quality and integrity are retained. A project proposal has been put forward by the ICSC Secretariat, on which it is expected to proceed soon.

102. In addition, the ICSC held its annual training workshop in Viet Nam. While there, the Chairman and members of the Secretariat held discussions with some members of the local change management team, which expressed a desire to work with the ICSC in achieving harmonization with respect to areas within the Commission’s purview. The ICSC and its Secretariat stand ready and hope to be active partners with the HR Network in promoting progress in this area, in Viet Nam and other Delivering as One countries.

The Committee:

103. Endorsed the initiative on Recruitment and Selection Processes for GS Staff and National Officers at the country level as approved by the HBP Steering Committee and endorsed by the Human Resource Network. Furthermore, HLCM members agreed to give full support to the initiative and to communicate this support to relevant organizational units and country offices.

(ii) Outcome of ICSC 73rd Session

104. The 73rd session of the International Civil Service Commission took place from 18 to 29 July 2011. The Commission's decisions are reported in document CEB/2011/HLCM/24. Issues addressed included: 1) Danger Pay; 2) Mobility and Hardship scheme: review of the level; 3) Rest and Recuperation Framework; 4) Establishment of unified special operations living allowance rates (SOLAR); and, 5) Designation of non-family duty stations.

105. ICSC decided that the term "hazard pay" be changed to "danger pay" and established new criteria, based on which danger pay would apply only in extraordinary situations. Such situations occur when staff are at high risk of becoming collateral damage or find themselves the targets of violence. The intention of the Commission was for the transition from hazard pay to danger pay to be cost neutral. The danger pay was set at \$1,600 per month as of 1 January 2012, an amount judged as insufficient by the HR Network, also considering the few countries that would receive danger pay based on the revised criteria. On this matter, the Vice-Chairman of the ICSC informed the Committee that this issue would be discussed again in the near future.

106. The General Assembly had approved a methodological review of the mobility and hardship scheme in 2010. The Commission agreed to review the scheme in two phases. Methodological changes were made to the scheme by the Commission at its 72nd session. At its 73rd session the Commission decided to grant a 2.5 per cent increase for the hardship allowance, the mobility allowance, and the non-removal allowance, respectively, for implementation on 1 January 2012. The Commission also decided that the additional non-family hardship element for staff serving in non-family duty stations should be adjusted by the same percentage as the hardship, mobility, and non-removal allowances, for implementation on 1 January 2012.

107. The Commission additionally decided on a revised set of criteria for the granting of rest and recuperation, with R&R frequencies varying from 4 weeks for staff serving in extreme emergency situations to 12 weeks for duty stations with high levels of hardship. In the ensuing discussion, the ICSC informed that criteria may change and take into consideration the varying needs and business models of different organizations.

108. The Commission also revised the designation of non-family duty stations. The authority to decide when to declare a duty station non-family, after consultation with the ICSC Working Group for the Review of Conditions of Life and Work in Field Duty Stations, was delegated to the Chair of the Commission. In this respect, the HR Network Co-Chair noted that the new designation process had been already tested on one occasion and had worked well, allowing a duty station to be designated as non-family within only 48 hours of the request being made.

109. The fact that the designation of non-family duty stations would be quite restrictive and would be made from purely a security perspective was a concern to many Committee members. Even if other criteria (for example, a lack of sufficient medical care and schooling) are partially covered in other elements of the pay and benefits scheme, such as the hardship rating of the duty stations, members acknowledged that this issue warranted further discussion.

The Committee:

110. Thanked the Human Resource Network for the information and took note of the decisions of the International Civil Service Commission at its 73rd session.

111. Decided to request the International Civil Service Commission to revisit its recommendation on the level of danger pay and to revise further the definition of non-family duty stations, taking into account the views expressed in the Committee.

(iii) Retreat between HR Directors and ICSC Commission members

112. The HR Directors organized a one-day retreat with Commission members immediately prior to the ICSC 73rd session on 15 July 2011 in Paris. The objective was to develop closer working relations and collaboration with a view to better understanding each other's challenges and needs. During the retreat, two issues in particular were highlighted as meriting further attention. Both are linked to the evolving operational needs and challenges of the UN organizations, as well as to the changing profiles of the future UN staff:

- a) ICSC Framework for Human Resources Management - the Commission members planned to start a review of the Framework introduced ten years ago; and,
- b) Pay and Benefits scheme – the Commission was considering a review of the scheme, feeling that a holistic approach should be taken with a view to modernizing and simplifying it as far as possible.

113. The retreat was marked as a success, as it took place in an atmosphere of cooperation and mutual respect of sometimes differing views.

114. With respect to the HR Management Framework, the HR Network would be pleased to participate in such a review, in order to update and include any new elements which may be missing from the current version. Nevertheless, the Network is of the opinion that the Framework is still a valid tool and the basic operating principles as well as the elements that bind the common system together are still sound and current. Suggestions were also made for ICSC to consider different approaches to different organizations.

115. Since previous reviews had mistakenly looked at each benefit separately, the ICSC Vice-Chairman reiterated the need to adopt a holistic approach to the pay and benefits package of UN personnel. In difficult economic times, Member States are forced to cut costs in their own civil services. Consequently, efforts to find equitable solutions for UN staff are being severely tested, requiring new tools, innovative HR strategies, as well as the mutual understanding of all stakeholders.

It was also clarified that the timeline for the review stretched over the next 2-3 years, hopefully allowing for the current financial environment to improve.

116. The Committee took note of the briefing on the Human Resource Directors and the International Civil Service Commission members retreat.

B) Finance and budget



Documentation:

- ✓ [CEB/2011/HLCM/20/Rev.1 - Position Paper on Common Treasury Services](#)
- ✓ [CEB/2011/HLCM/22 – IPSAS Adoption Progress Report](#)

117. The newly appointed co-chair of the Finance and Budget Network, Mr. Darshak Shah of UNDP, informed the Committee that work of the Network closely correlates with the aspirations of HLCM in the areas of UN system efficiency and effectiveness improvements, as well as better communication of results. The Network is launching new and promising initiatives. Considering that the implementation of IPSAS is now successfully underway across the system, less commitment from the financial community is expected to be required in this area.

(i) Feasibility Study on Common UN Treasury Services

118. The Network co-chair and co-lead of the Working Group (WG) on Common Treasury Services, Mr. Nick Jeffreys of WHO, introduced this project as a strong opportunity to achieve high-yielding and measurable efficiency results for the entire UN system. The WG on Common Treasury Services is composed of 19 organizations. Established by the FB Network in 2009, the group was tasked with setting up a web-based knowledge sharing tool and conducting a feasibility study for harmonized approach to treasury services within the UN system. The knowledge sharing tool – the Treasury Community of Practice website - has been fully functional since January 2010, and has proved its value to the UN system treasury experts.

119. The objective of the Feasibility Study conducted by KPMG was to: identify opportunities for developing harmonized treasury practices across the UN system; prioritize common service options by evaluating cost/benefit scenarios for their institutionalization; and identify major divergences and legal framework options for the delivery of common services. The four distinctive areas having improvement opportunities were identified as:

- **Banking services.** Having some 400 banks used by organizations of the UN system results in some diverging banking arrangements. Collaboration in this area would yield significant savings from fees' reductions and diminution of counterpart risks. Implementation of recommendations should start soon with some investments needed to take on the project.
- **Foreign currency management.** Some US\$ 30bn equivalent of currencies is traded annually in the UN system. While opportunities are limited for highly developed countries currencies such as US\$, EUR, CHF, significant savings are possible in respect of purchasing many of the less widely traded developing-world currencies. Implementation of recommendations in this area is already underway in some organizations.

- **Payments.** Some US\$ 3bn of payments are made across the UN system annually. Implementation of identified opportunities, however, would be more difficult as additional investments would be needed in upgrade of ERP systems.
- **Investments.** This area presents the largest opportunity for savings, whose quantification and risk, nevertheless, have not enjoyed broad consensus in the Working Group. KPMG indicated that this is the biggest opportunity, where some US\$ 32bn of investment funds are collectively held across the UN system organizations. KPMG recommended the UN system organizations to collectively take a bit more risk by extending duration or slightly lowering quality of investments. The recommendation was treated with caution by many organizations and it was agreed that further investigation of opportunities should be conducted before implementation modalities are considered.

120. The meeting of the WG on Common Treasury Services of 12 September 2011 finalized and endorsed the approach for implementing recommendations made in the feasibility study. The FB Network reviewed this approach during its 21-22 September 2011 meeting in Turin and provided recommendations to the HLCM on further action to be taken, as outlined in the Annex to CEB/2011/HLCM/20/Rev.1.

121. Under a new Harmonization Coordination Committee, subgroups would be formed of committed organizations willing to participate in each project, to define each project with its objectives, implementation timeline, costs/benefits, budgets and funding mechanism. Some quick-win activities are either already being implemented at individual organizations or are being planned for a swift roll out.

122. One over-arching recommendation relates to improvement of risk management practices, acknowledging that risk is a key factor in treasury operations. As advised, different risk profiles of participating organizations require a joint collaborative and flexible approach. The establishment of a risk advisory group that can support common policy requirements would be an important step towards improvement in this area for some organizations.

123. A number of organizations opted out of commitments to implementation in the investment area, which is subject to further review to assess feasibility. Such organizations maintained that they already have fully-developed risk management frameworks and/or they do not consider an increase in investment risk profiles to be prudent. In this respect, the WG co-lead clarified that KPMG was not proposing to take more risk, but was rather highlighting the need to first improve measurement and management of investment risk.

124. It was also emphasized that some smaller agencies with limited investment management resources were not actively managing risks, and as a result may be earning lower investment returns. Organizations managing larger investment pools tended to be able to achieve greater investment diversification, and therefore achieve higher returns. The UN Secretariat invited organizations to join their investment pool to provide them with access to a more diversified investment portfolio, risk reduction and a better rate of return.

125. The follow-up proposals on Banking Services and Foreign Currency management received unanimous support within the Committee, and a suggestion was made to also address cash transfer needs for the UN system locations where security risks are very high.

126. In the area of payments, membership in the SWIFT infrastructure was presented as potential high-impact in the KPMG report. SWIFT being a highly secure communications system between banks and financial institutions, it is useful in reducing bank charges and in optimizing payment transfer procedures with a wide range of banks. The UN Secretariat offered on a cost-sharing basis its SWIFT infrastructure to any interested UN system organization: UNICEF has already joined. The Network co-chair noted that considering complexities involved, payments via SWIFT would need to be part of the second wave of projects to be implemented as a follow-up to the feasibility study. The UN Secretariat also indicated that it was close to finalizing its payment cards frame agreement and other UN system organizations would be invited to participate.

The Committee:

127. Approved continuation of the Common Treasury Services project into its next implementation phase.

128. Endorsed the FB Network decision to reconstitute the existing project's Steering Committee into the Harmonization Coordination Committee, with the objective to oversee overall implementation of the project with continued reporting responsibilities to the Working Group on Common Treasury Services and the FB Network. The need for other governing structures would be reviewed going forward.

129. Took note of prioritization of the initiatives for implementation as recommended by the FB Network and based on the subsequent discussion and agreements of HLCCM, ensuring that clear implementation targets, timelines and implementation processes are established for each advancing initiative.

(ii) Update on FB Network activities

130. The FB Network co-chair briefed the Committee on the UN system-wide Financial Statistics project. The CEB Secretariat is implementing the project, which continues to be on time and within budget. The IT system is projected to be piloted by the end of March 2012 and go-live with system-wide financial data by June 2012. A Steering Committee consisting of representatives from the FB Network oversees the implementation process and roll-out of the new database solution.

131. Comments on the Financial Statistics Project highlighted that expenditure categories required further analysis and agreement; that simplicity of the expected solution should be an objective; and that definitions needed further clarifications. The Network co-chair assured the Committee that these concerns were considered in the recent FB Network meeting and would be addressed in the forthcoming phase of data mapping and system design.

132. A Working Group on Accrual Budgeting was established to address the growing trend of external auditors and audit advisory committees to rush organizations into adopting accrual budgeting. The FB Network agreed that this recommendation is not well founded and would potentially cause difficulties to interpret the budgets. In addition, implementation of accrual budgeting would be extremely demanding in terms of funding and human resources. Considering uncertainties and the non-availability of resources for this task, the FB Network agreed that the WG will clarify the definition of accrual budgeting in the UN system, review experiences from the public sector and confirm feasibility

or not of implementing accrual budgeting at this time. UNDP will lead this WG with other members representing UN, UNFPA, ILO and WMO.

133. The Working Group on Safety and Security Costs will soon start reviewing options for the cost sharing of the UN Security Management System jointly-funded budget, with a deadline for completion of work by November 2011. Results would be shared with IASMN and the FB Network before proposing the final recommendation in early 2012. The FB Network agreed that revised cost-sharing arrangements should only apply from the biennium 2014-2015.

134. Members of the FB Network asked the UN Secretariat for additional information on the 2012-2013 budgets of all jointly financed activities (JFAs). This followed the decision by HLCM, in March 2011, to endorse the JFA budgets at zero growth level, while placing emphasis on the need for organizations to absorb any re-costing adjustments through efficiencies. The requested additional information concerned the comparison of 2010-2011 budgets for these activities with submitted and re-costed budgets for 2012-2013. This review would not influence cost-sharing arrangements for 2012-2013, which were approved in the FB Network meeting.

135. The FB Network noted some communication gaps between HR and FB colleagues that had caused difficulties to approve budgets for jointly voluntary funded activities initiated by the HR Network. The Co-Chair suggested that, in the future, draft budgets for these kinds of activities and projected cost apportionment should be simultaneously circulated for review and approval to both – the HR and FB Networks.

136. Finally, ASHI liability funding has been identified as an area requiring special attention by the FB Network. In this respect, HLCM members expressed interest in the possibility that ASHI funding be managed using UNJSPF and other pooling mechanisms.

The Committee:

137. Took note with appreciation of the recent work in progress of the UN system Financial Statistics project.

138. Requested the FB Network Working Group on Safety and Security Costs to complete its review of the cost-sharing arrangements for the jointly-funded UN Security Management System.

139. Advised the FB Network and other HLCM Networks that their meetings should take place at least two weeks before HLCM meetings, allowing adequate time for the review of Network conclusions.

(iii) IPSAS Task Force

140. The newly appointed Chair of the Task Force on Accounting Standards, Mr. Chandramouli Ramanathan from the UN Secretariat, informed that nine organizations have now implemented IPSAS. These organizations faced various challenges and risks, including availability and complexity of information, staffing issues, delays in the closure process and various technical issues. Interaction with external auditors was highlighted as critical for implementation success and one of the biggest risk

areas, given the difficulty to reach consistent interpretation and timely engagement. The Technical Group of Panel of External Auditors has positively influenced some of the recent audit opinions, uniting diverging views by the external auditors on technical accounting matters. Taking note of the roll-out calendar, some members noted that the slippage in the UN Secretariat's implementation of IPSAS to 2014 may have negative consequences for some organizations, particularly on compliance with GEF requirements.

141. The Task Force Chair appreciated the mutual collaboration between organizations as a means to overcome challenges born from the interpretation of technical standards. Massive cultural changes would still need to happen to reach complete IPSAS adoption, with many of these challenges being of a non-financial nature, requiring additional training for a broad range of staff functions. New or improved processes and an internal control framework will need to be established. In conclusion, although IPSAS will provide for more frequent reporting it will, nevertheless, require investment if it is to achieve full impact.

142. The IPSAS system-wide project will keep providing its support in four core areas:

- Facilitation and communication;
- IPSAS Board monitoring and follow up activities including proactive participation in its work;
- Coordination of accounting diversity;
- Guidance and support where the focus starts shifting to post implementation activities.

143. Attention in the post-implementation period is also moving to consistency of treatment by external auditors. Pronouncements of the Task Force remain guidance and they are not binding.

144. The Task Force Chair listed a number of IPSAS dividends, many of which are realized at the time when compliance is reached, while others would take much longer to materialize. In this respect, the Committee expressed interest in sharing of experiences and documentation with organizations that have already reaped some IPSAS dividends and have developed communication material in this area.

145. The Committee took note with appreciation of the IPSAS progress report.

C) Procurement



Documentation:

- ✓ [CEB/2011/HLCM/23 – ToR of the HBP project on Collaborative Procurement of Vehicles](#)

(i) Collaborative Procurement and Overview of Procurement Network's Efficiency, Effectiveness and Cost Control Activities

146. Ms. Shanelle Hall of UNICEF (outgoing chair of the Procurement Network) briefed the Committee on a series of initiatives related to collaborative procurement launched by the Network in response to the need for improving efficiency in the UN system. At the March 2011 meeting, PN endorsed a process for collaborative procurement which enables members to opt-in on collaborative procurement for products or services that are cross-cutting to PN member organizations. This is in addition to, and separate from, location-based collaborative procurement (which has yielded substantial results for organizations based in Geneva and Rome) and ongoing collaborative procurement for programmatic supplies (e.g. WHO and UNICEF on health products).

147. Copenhagen-based organizations have initiated a number of collaborative projects and the level of collaborative activity will increase over the coming months as the organizations prepare to move into a new shared premises. Lessons learned and best practices are being collected and shared inside the Network.

148. Following the PN meeting in March 2011, the IAEA undertook an analysis of UN agencies' procurement expenditure as part of a project to identify categories that may be suitable for collaborative, multi-agency supply strategies. The initial survey did not yield expected results due to problems with the quality of data and the complexity of risk assessment. The PN reiterated that the analytical framework enables evidence-based decision-making about the potential for collaboration and decided that PN member organizations should continue to work to refine the data and improve its quality. The results of the new survey will be presented to the PN at its 2012 spring session. Based on this analysis, the Network will decide to expand collaborative procurement to other product/service groups. Despite the considerable potential for savings, organizations need to be prudent while deciding when and where to engage in collaborative procurement. Staff and transaction costs required to achieve meaningful results may exceed the benefits obtained.

149. Concerted efforts to increase collaboration on supplies and services that are common across the UN system are on-going. Cargo insurance contracts should be issued by April 2012, with savings estimated at nearly \$500,000 annually for the participating agencies, pending the outcome of the bidding process. Furthermore, non-monetary benefits of the new insurance policy are expected to reduce transaction time. New contracts for international freight forwarders have been issued and are well underway. These contracts are projected to result in multi-million savings (in international freight costs) over a five-year period. The participating agencies in this tender are devising a methodology for calculating savings accurately. In addition, the collaboration among 11 organizations on vehicle procurement is just commencing. This is a complex area of work and support and commitment from leaders in organizations will be required for the initiative to reach its potential.

150. Progress on two initiatives under the HBP Plan of Action was reported by the Network. As part of the Harmonization of Procurement Procedures project, a survey of over 150 UN procurement practitioners in over 80 countries has identified specific bottlenecks which, if harmonized, would enable more effective UN cooperation on procurement. Once approved, model texts that clarify and enable harmonization on these specific issues would result in a revision of the Guidelines for Harmonised UN Procurement. The PN will also recommend that these Guidelines be included in the regulatory framework of each UN agency to help ensure a more rapid and supported roll-out. For this initiative to succeed, each organization would need to assume responsibility for implementing the proposed changes, most of which only require revisions to policies and procedures and not to Financial Rules and Regulations.

The Committee:

151. Took note of the considerable work undertaken by the Procurement Network in the area of collaborative procurement and encouraged the Network to identify additional areas for collaboration. Furthermore, the Committee encouraged all member organizations to participate in the HBP project on Collaborative Procurement of Vehicles.

(ii) Model Policy Framework (MPF) on Vendor Eligibility

152. At its spring 2011 meeting, HLCM endorsed the Model Policy Framework (MPF) on Vendor Eligibility for the UN system. The HLCM/PN membership is promoting the implementation of the MPF as the foundation for the necessary related systems at the agency level. It is, nevertheless, recognized that the complexity and timelines faced when creating agency systems vary.

153. In August 2011, UNDP developed and launched a high-level survey for the HLCM/PN membership on the status of implementation of the Model Policy Framework. Participants were asked to assess the degree of the awareness of the MPF; what unit(s) had ownership over the implementation process; the timelines for implementation; the main challenges they were facing; and the opportunities for support.

154. Seventy five per cent of HLCM/PN member organizations (21) took part in the survey. Results revealed that progress has been limited and additional attention is needed. The PN will be facilitating a sharing of lessons learned in implementing the MPF, including ideas of how to implement it with limited financial implications. The Network will continue to keep the HLCM updated on progress, as this remains a standing agenda item on the PN agenda.

The Committee:

155. Took note of the progress report on the implementation of the Model Policy Framework for Vendor Eligibility and urged all members to take the necessary actions to implement the Framework in their own organizations. Furthermore, the Committee urged that Procurement Network to collect lessons learned and to report back to the HLCM in the fall session of 2012.

D) Information and communication technology

(i) Cyber Security

156. Since the spring session of HLCM, a number of inter-agency activities in the cyber security area have taken place, following the request to HLCM and HLCP by CEB at its April 2010 session to take up the issue. These activities include the first-ever conference of UN information security specialists, as well as a meeting by a group under the purview of the HLCP to study the programme policy issues of cyber security and cybercrime.

157. A representative from the Information and Communication Technology (ICT) Network informed the Committee of progress in the key cyber security focus areas: awareness, policies and standards and incident response. These activities were taking place through the information security special interest group of the ICT Network, which brought together for the first time in September 2011 the information security specialists from across the UN system. The presentation highlighted the importance of awareness by staff members of cyber threats, and proposed a training programme that agencies might consider making mandatory. In addition, the group planned a survey of UN system organizations, contributing to the accelerated sharing of policies and standards, as well as a standard approach for responding to cyber security incidents.

158. The Secretary of HLCP informed the Committee of the formation of a similar working group, jointly led by ITU and UNODC, which would examine the programme policy aspects of cyber security and cybercrime. This group met in July to further explore the legislative, policy and operational responses to cybercrime, and to discuss a framework for international cooperation. In this context, UNODC had launched a study to be concluded in April 2013 on the issues around a potential cybercrime treaty. These two groups operated in tandem, with the ICT Network special interest group focusing on the internal operational aspects of these issues and the HLCP group addressing the system-wide programme policy aspects of cyber threats.

159. IAEA informed the Committee that it had already invested heavily in the information technology (IT) security campaign and, subject to contractual conditions with its service provider, the Agency would be open to share its IT security campaign practice with other UN system organizations.

The Committee:

160. Called on organizations to take steps to protect systems against cyber security threats and to participate in and support cyber security activities.

(ii) Update on current main activities

161. Within the framework of the HBP Plan of Action, the development of a common approach to understanding the complete institutional cost of ICT activities is underway. The ability to calculate the cost of ICT operations, in a standard way, across an organization's entire operation, allows for effective benchmarking of these critical services.

162. The value of this project, which is nearing completion, would only partially be in the identification of a total ICT cost for a particular time period. More importantly, organizations should aim to identify trends and benchmarks in ICT spending, across different time periods.

163. Committee members expressed interest in considering the existence of further scope for reduction in International Computing Centre (ICC) IT service costs. The recent study of McKinsey consultants on cost competitiveness and effectiveness of ICC services had showed positive results. The study confirmed that the ICC is cost competitive and may need to invest more in marketing its services through the UN system. The ICT Network encouraged wider use of ICC services - for instance, ICC is a viable provider of cloud computing services for the UN system.

The Committee:

164. Took note with appreciation of the report on the status of the activities of the Network.

165. Asked the ICT Network to prepare an update for the next HLCM session on the scope and efficiency of ICC services, as well as on other possible sources of common benefits related to ICT services in the UN system.

IX. Any other business

A) Mandatory Age of Separation

166. The Mandatory Age of Separation (MAS) Working Group, coordinated by WFP, was convened by HLCM with a mandate to examine all aspects of the issue. The Group looked into financial aspects in conjunction with the UNJSPF, considered the perspective of both current and future staff, and examined innovative separation modalities such as phased and flexible retirement plans.

167. A survey was launched to collect legal and policy information, as well as data on existing practice on mandatory separation and retiree re-hiring, and actuarial analyses were conducted to estimate after-service health insurance savings associated with a MAS increase. In order to incorporate the staff perspective, global staff surveys were coordinated by CCISUA, UNISERV, and FICSA.

168. The Working Group found wide variance in current practice with regard to mandatory age of separation. Further divergence was found in the categories of staff that are typically retained. In some agencies, retentions beyond MAS are mostly for high-level professionals and management, while in others a substantial portion of retentions are from the general service.

169. Organizations reported different objectives in connection with the use of MAS as a management tool: succession planning, workforce rejuvenation, and reducing staff costs. Overall, normative agencies rely more heavily on 'older' staff than operations-based agencies.

170. Flexible retirement options are in place in some organizations: WFP and FAO have implemented a program that allows for part-time work (at 50% or 80%) for up to one year during the three year period preceding the expected retirement date. However, no staff members have availed themselves of the option since its implementation in 2009. UNDP has allowed special leave without pay to be used to bridge to retirement in limited cases, generally fewer than five each year.

171. The UNJSPF rules require pro-rated contributions during periods of part-time work, which may result in a 'pension penalty' for some staff members due to participation in flexible retirement programs. This adds a new dimension to an ongoing debate over whether to allow staff-members to contribute on a 100 per cent basis to the Pension Fund during periods of part-time work.

172. Two staff surveys were completed (one coordinated by CCISUA and UNISERV, the other by FICSA). The surveys indicate broad support for a MAS increase among the staff surveyed, as long as the right of current staff to retire at 60 or 62 is preserved.

173. In conclusion, work would continue towards the finalization of a report by the end of 2011, with preliminary indications showing no pressing needs for system-wide common action on this matter, but rather the opportunity for initiatives by individual organizations on retirement policies, as well as the value of sharing of experiences.

The Committee:

174. Took note of progress in this work and requested the Working Group to finalize its report by the end of December 2011 and submit it to the Committee for review, finalization and submission to ICSC following the HLCM's 23rd session.

B) Enterprise Risk Management

175. On 2-3 June 2011 the UN Secretariat and UNFPA, under the auspices of HLCM, organized a two-day inter-agency workshop on Enterprise Risk Management (ERM). Around 50 participants from some 30 entities of the UN system learned from keynote speakers with particular expertise in the implementation of ERM in the public sector and shared experience with practitioners implementing ERM in the United Nations system. Keynote speakers included the Chairman of the Independent Audit Advisory Committee, a Representative of the Government of Canada and a Representative of the Centre for Strategic and International Studies. The group also benefited from the presence of two oversight bodies of the United Nations – the Board of Auditors and the Office of Internal Oversight Services (OIOS) - who made presentations on the subject matter.

176. Participants identified specific future opportunities of collaboration on significant areas, such as - among others - the creation of a risk solutions database, the design of an ERM work plan, optimal reporting and monitoring tools, and common training materials, and decided to continue working together to support each other in the implementation of an effective framework.

The Committee:

177. Endorsed the creation of the UN ERM Community of Practice, to share knowledge and experience, and to serve as a potential mechanism to report system-wide common issues and risks to HLCM.

C) Venue and dates for the next meeting

178. The Committee took note with appreciation of the kind offer by UNWTO to host the 23rd session of HLCM in Madrid, Spain. Dates would be identified and communicated shortly, following consultations with member organizations.

ANNEX I –LIST OF PARTICIPANTS

Chairperson: Ms. Josette Sheeran, WFP
Vice-Chair: Ms. Jan Beagle, UNAIDS
HLCM Secretary: Mr. Remo Lalli, CEB Secretariat

Organization	Name – Title – Division
United Nations	Mr. Gregory Starr, USG, Department of Safety and Security
	Ms. Catherine Pollard, ASG, Office of Human Resources Management and HR Network Co-Chair
	Mr. Brian Davey, Director, Medical Services Division, and Medical Directors WG Spokesperson
	Mr. Chandramouli Ramanathan, Director, Accounts Division & OIC, Peacekeeping Financing Division
	Ms. Anne Marie Pinou, Special Assistant to the USG for Safety and Security and Secretary of the IASMN
ILO	Ms. Telma Viale, Director, HR Development Department
FAO	Mr. Nick Nelson, ADG, Corporate Services, Human Resources & Finance Department
UNESCO	Mr. Getachew Engida, Deputy Director General
	Ms. Helen Assefa, Senior Executive Officer
WHO	Mr. Mohamed Jama, ADG, General Management
	Mr. Nick Jeffreys, Comptroller, and FB Network Co-Chair
	Ms. Nicole Krüger, Management Officer
ICAO	Ms. Fang Liu, Director, Bureau of Administration and Services
World Bank	Mr. Trikkur V. Somanathan, Director, General Services Department
	Mr. Jeffrey Culver, Head of Corporate Security and Business Continuity
	Mr. Robert Simpson, Global Security Operations Coordinator
IMF	Mr. Frank Harnischfeger, Director, Technology and General Services Department
ITU	Ms. Julia S. Watt, Chief, Human Resources Management Department
WMO	Mr. Joachim Müller, Director, Resource Management Department
IFAD	Ms. Cheryl Morden, Director, North American Liaison Office
UNIDO	Ms. Hui Sui, Managing Director, Programme Support and General Management Division
	Mr. Shaukat Qazi Fareed, Special Adviser to the Director-General, UNIDO Office in New York
UNWTO	Mr. José G. Blanch, Director, Administration and Finance
IAEA	Mr. David Waller, Deputy Director-General and Head of Management
UNAIDS	Ms. Jan Beagle, Deputy Executive Director, Management and External Relations, HLCM Vice-Chair and Co-Chair of undg Working Group on RC System Issues

Organization	Name – Title – Division
UNDP	Ms. Akiko Yuge , Assistant Administrator and Director of Bureau of Management (BOM)
	Mr. Darshak Shah , Deputy Assistant Administrator, Deputy Director and Chief Finance Officer and FB Network Co-Chair
	Ms. Irina Stavenscaia Botezatu , Management Specialist, BOM
UNICEF	Mr. Martin Mogwanja , Deputy Executive Director
	Ms. Lori Issa , Coherence Specialist, UN & Inter-Gov't Affairs, Governance, UN and Multilateral Affairs
	Ms. Shanelle Hall , Director, Procurement, and Chair of the Procurement Network
WFP	Ms. Josette Sheeran , Executive Director and HLCM Chair
	Ms. Gina Casar , Deputy Executive Director & Chief Financial Officer, Resource Mgt Accountability
	Mr. Robert Opp , Director, Business Innovation & Support
UNFPA	Ms. Mari Simonen , Deputy Executive Director, and Co-Chair of the undg Joint Funding and Business
	Mr. Subhash K. Gupta , Director, Division for Management Services
UNRWA	Ms. Laura Londén , Director of Administrative Support
UNHCR	Mr. T. Alexander Aleinikoff , Deputy High Commissioner for Refugees
UN-HABITAT	Mr. Antoine King , Director, Programme Support Division
UNOV/UNODC	Mr. Dennis Thatchaichawalit , Director, Division for Management, UNOV and UNODC
UNEP	Mr. Christoph Bouvier , Chief, Office for Operations
UNCTAD	Mr. Angelo Galindo , Chief, Resources Management Service
ITC	Ms. Eva K. Murray , Director, Division of Programme Support
UNOPS	Mr. Vitaly Vanshelboim , Deputy Executive Director
UNWOMEN	Ms. Giovannie Biha , Director, Division of Management and Administration
UNDOCO	Ms. Dena Assaf , Deputy Director, UN Development Operations Coordination Office
ICSC	Mr. Wolfgang Stoeckl , Vice-Chairman
FICSA	Mr. Mauro Pace , President
UNISERV	Mr. Dimitri Samara , President
	Mr. Tint Kyu
CCISUA	Mr. Phocus Ntayombya , UNICEF Global Staff Association Chairperson
CTBTO	Ms. Frances Boyle , Director, Division of Administration

Organization	Name – Title – Division
CEB Secretariat	Mr. Remo Lalli, Secretary, HLCM
	Ms. Phyllis Lee, Secretary, HLCP
	Mr. Ronny Lindstrom, Senior Business Practices Adviser
	Mr. Armands Cakss, Inter-Agency Advisor, Finance and Budget
	Ms. Frederique Morice-Walker, Executive Assistant
UN Foundation	Senator Tim Wirth, President
	Ms. Kathy Calvin, Chief Executive Officer
	Mr. Peter Yeo, Executive Director, Better World Campaign
	Ms. Minh-Thu Pham, Director of Public Policy, Better World Campaign

ANNEX II – CHECKLIST OF DOCUMENTS

Title	Document Symbol
Revised Provisional Agenda	CEB/2011/HLCM/16/Rev.1
Provisional Programme of Work	CEB/2011/HLCM/16
Briefing Note: HR actions taken for staff & families affected by bombing in Abuja	CEB/2011/HLCM/25
Security & Safety of Staff: Road Safety Policy	CEB/2011/HLCM/17
Final Programme Criticality Framework	CEB/2011/HLCM/18
PCF Proposed Implementation Plan & Budgetary Arrangements	CEB/2011/HLCM/18/Add.1
Final report on Common Principles on Results Reporting	CEB/2011/HLCM-UNDG/1
Proposed plan for the operationalization of the Common Principles	CEB/2011/HLCM-UNDG/1/Add.1
ToR of the HLCM Sub-Committee on Improving the Efficiency and Cost Control Measures of the UN System (Phase 2)	CEB/2011/HLCM/15
Preliminary Report of the HLCM Sub-Committee on Improving Efficiency and Cost Control Measures of the UN System	CEB/2011/HLCM/19 & Annex I
Status report on the Implementation Plan as of September 2011	CEB/2011/HLCM-UNDG/2
Project ToR: Open recruitment for GS staff & National Officers at the country level	CEB/2011/HLCM/21
Outcome of ICSC 73rd session	CEB/2011/HLCM/24
Position paper on Common Treasury Services	CEB/2011/HLCM/20/Rev.1
IPSAS Adoption Progress Report	CEB/2011/HLCM/22
ToR of the HBP project on Collaborative Procurement for Vehicles	CEB/2011/HLCM/23
Status report on the implementation of the MPF for Vendor Eligibility	CEB/2011/HLCM/8 (reference material)

ANNEX III – STATEMENT BY CCISUA

Madame Chair, ladies and gentlemen, let me begin by thanking HLCCM for once again giving CCISUA the opportunity to speak with you. We are also grateful that the Staff Federations are invited to observe a number of agenda items. However, we believe that the situation could be further improved and nothing less than full inclusion in HLCCM will be satisfactory, because, as we have said before, staff are involved in and will be ultimately responsible for implementing, everything that is discussed and agreed in HLCCM.

I would like to take a few minutes now to provide you with the view of the staff represented by the various staff unions and association federated in CCISUA on the items that are being discussed at this session.

The criticality of staff security

United Nations staff members are more and more frequently called upon to work in dangerous and hostile environments around the world, thereby becoming targets of hostility and violent attack. The recent attack on the United Nations premises in Abuja is just the latest in a series of attacks directed against United Nations staff in Afghanistan, Algeria, Pakistan, Somalia and Sudan, all of which have tragically resulted in numerous deaths and serious injuries. The growing number of incidents proves that the Organization is moving in the wrong direction on security. If we fail to learn from our mistakes and correct our policies, the tragedies of Abuja and elsewhere are certain to be repeated.

Although the General Assembly has invested heavily in staff security since the 2003 bombing of the United Nations headquarters in Baghdad, the United Nations staff and others question the security practices of the Organization, which have so conspicuously failed to prevent further deaths and serious injuries. Moreover, those responsible for such heinous acts must be sought and brought to justice by the Member States; very seldom the perpetrators are prosecuted, perpetuating the climate of impunity.

United Nations staff members know that the Organization cannot guarantee their safety and have always accepted a certain level of risk in order to serve the people of the world. What they do not accept is that programmes should take precedence over personnel and that they should be expected to work in environments where they frequently face injury or possible death. The United Nations has a moral obligation to ensure that all possible measures are taken to protect all of its staff members in all parts of the world where they are serving.

As the world situation has changed and more staff have become subject to dangerous assignments and hazardous working conditions, we believe that a comprehensive review is needed of the human resources policies of the Organization affecting serving staff members and the families of the dead. While we count the number of fatalities and injured, it is all too easy to forget the other affected staff members.

United Nations staff members are appalled by the lack of accountability of senior officials and the failure of the Organization to provide adequate security. They demand that concrete measures to protect them be taken immediately in order to avoid more such tragic incidents. United Nations staff members have a right to expect the leaders of this Organization to urgently address the shortcomings in the security-management system and policies. It cannot be right that our current security-management policies accept casualties and deaths as a routine part of programme delivery. Decisions regarding the security of staff must be independent of political and economic factors, including income from programme delivery.

CCISUA recognize that the Organization faces considerable political pressure to deliver programmes rapidly and cost-effectively. We also recognize that people throughout the world deserve the support

and assistance of the international community. However, programme delivery aimed at helping one group of people must not be at the cost of the lives of other groups of people. We have read with interest the report of the working group on programme criticality and remain concerned about the concept of acceptable risk and reiterate that for the UN is important to have a clear idea of “when to leave” and not so much of “how to stay” at the cost of life of staff members. The Organizations and the Member States need to ensure that staff members have the necessary resources to carry out their functions without facing undue risk, and to implement measures to address the security needs of staff working in dangerous and hostile environments.

CCISUA is pleased to report to HLCM that we are fully engaged at the IASMN where representatives are actively involved in the discussions on security and safety. At the recent IASMN members unanimously voted to include our direct participation in the armed private security contractors working group, this is welcomed by CCISUA as we believe it is a good example of transparent and inclusive problem solving allowing our concerns on this subject to be addressed.

Despite this involvement we believe more needs to be done and CCISUA associates itself with the request made to the Secretary-General to form a joint staff-management working group as soon as possible to identify and correct the flaws in the current security-management policies and to review the security needs of the Organization. The Organization must reconsider the advisability of housing multiple agencies in common premises and examine the adequacy of security measures affecting national staff, air safety standards and many other aspects of staff security.

We have a duty to our own families as well as to the families of lost and injured colleagues to ensure that these tragedies do not happen again.

I would also like to inform you that at the end of this week I and other leaders of the staff unions and associations of the United Nations common system are going to Abuja to show our solidarity to the families of the victims, the survivors and to discuss ways to further impress on the Administration, Member States and the world the need to ensure the security and safety of staff members of the United Nations.

HR issues

CCISUA participated at the 73rd Session of the ICSC. We were disappointed by attitude of Commissioners who were not open to suggestions from the organizations or staff representatives regarding issues that should be taken into consideration when making decisions. Instead, the outcome seemed to be largely based on preconceived ideas regarding ways to undertake the deepest budget cuts (or realizing the greatest savings) that were sought by the General Assembly.

The Commission has made recommendations based on what it deemed “pragmatism” over clear, coherent, objective methodologies. Questionable decisions, many of them affecting the conditions of service of staff in the field, were taken with this approach.

On the mobility/hardship scheme CCISUA opposes the de-linking it from the base/floor salary scale. CCISUA strongly criticizes the lack of transparency and objectivity in the Commission’s decision, which in effect makes no reference to the adjustment factors as required by the methodology, preferring a so-called “pragmatic approach”.

On rest and recuperation among other concerns CISSUA expressed concerns on the proposed change in the accounting of the days from five working days to five calendar days. The decision was taken without any open debate or discussion. The ICSC would be de facto legislating for staff members’ weekends, which should be their time off. We consider this illegal and intend to challenge the decision if implemented.

CCISUA was disappointed with the considerable reduction in the number of duty stations due to the new criteria for danger pay, which was based on a number of subjective elements which would require clarification. However they welcomed the fact that this would be regularly – and not exceptionally – be payable to qualifying locally-recruited staff, who represented a majority of casualties in attacks against the UN. CCISUA has serious concerns about decisions related to the determination of non-family duty stations because the lack of consideration of health and adverse living conditions.

CCISUA is also concerned about the reduction of incentives for service in the field at a time when in the Secretariat there are expectations of staff to be more mobile.

Mandatory Age of Separation

The possible review of the retirement age provisions in the UN common system has been debated for some time and a number of arguments in favour of a review have been put forward. Some of the arguments, however, do not seem to be supported by the actuarial analysis. We believe it is important that financial and other arguments are carefully considered against the evidence of the actuarial evaluation and the informed opinion of the Pension Board.

The Staff Unions have expressed the view that the impact of any change in the current provision needs to be carefully considered before taking a decision. CCISUA (our Federation) and UNISERV launched (from mid-July to the end of August 2011) a survey to gain the staff's perspective on the possible Mandatory Age of Separation. FICSA carried out a separate survey but the three staff federations prepared a common position on this matter. (see Annex III-A)

A total of 8,237 staff participated in the survey and 88.2 per cent or 7,266 completed it. The sample is significant by statistical standard.

From the survey it is clear that staff support an increase in the mandatory age of retirement. However, this should be without prejudice to the acquired rights of those who are currently in the system to retire with full benefits at their current mandatory retirement age of 60 or 62.

In the survey organized by CCISUA and UNISERV, the majority of the staff do not disfavour an increase in the mandatory age of separation (70.9 per cent).

However, just over half (52.8 per cent) such agreement is subject to maintaining the right to retire without penalty at 60/62 and having free choice about continuing to the age of 65.

About three-quarters of the staff surveyed believe that the decision to continue to work beyond the current mandatory age of retirement should be made by the staff member. If not, it would be without parallel in any national system: in no other setting does the employer have the authority to grant or deny employment on a discretionary basis. A waiver under the sole authority of the Executive Head is considered arbitrary and unfair.

The Staff Union believe that staff opinion must be carefully considered in all relevant fora in order to make decisions that respect the terms of employment valid at the time of recruitment and that provide staff with the essential financial security once they leave active service.

Finally, Madame Chair, let me end by thanking you again for the opportunity to address this gathering, and to remain for some agenda items. We will maintain our commitment to work with the different parts of the CEB to foster a better environment for staff.

I thank you.

ANNEX III-A



FICSA, CCISUA and UNISERV joint Statement on the Mandatory Age of Separation.

7 September 2011

Review of the retirement age provisions in the UN common system has been debated for some time and a number of arguments in favour of a review have been put forward. Some of the arguments, however, do not seem to be supported by the actuarial analysis. Therefore it is important that financial and other arguments are carefully considered against the evidence of the actuarial evaluation and the informed opinion of the Pension Board. The Staff Federations reiterate their view that the impact of any change in the current provision needs to be carefully considered before taking a decision.

The Staff Federations have actively participated in the HLCM working group on this matter and carried out two surveys of staff - one organized by FICSA and the second one by CCISUA and UNISERV. The two surveys gathered the views of around 11,000 staff. Although there are differences in the surveys, the core questions on increasing the age of retirement are comparable and offer a good view of what staff think about a possible increase in the age of retirement. The summary analysis of the two surveys are attached to this statement.

From both surveys it is clear that staff support an increase in the mandatory age of retirement. However, this should be without prejudice to the acquired rights of those who are currently in the system to retire with full benefits at their current mandatory retirement age of 60 or 62. There was a strong call for the decision to work beyond 60 or 62 to be voluntary and decided by the staff member.

In the survey organized by CCISUA and UNISERV, the majority of the staff do not disfavour an increase in the mandatory age of separation (70.9 per cent). However, for 52.8 per cent such agreement is subject to maintaining the right to retire without penalty at 60/62 and having free choice about continuing to the age of 65.

Similarly, in the FICSA survey a slight majority support the increase to 65 (52.8 per cent). However, a significant share (39.1 per cent) declared their disagreement and 8.5 per cent had no opinion. Essentially, there is not an indication of an overwhelming support for the increase. The large number of negative or uncertain replies would suggest that a significant share of the respondents are satisfied with the current arrangements or, at least, can't provide a clear answer in absence of the details concerning the implementation.

It is manifest from the responses of staff that the decision to continue to work beyond 60 or 62 would need to be voluntary and at the discretion of the staff member. About 75 per cent of the staff surveyed by CCISUA and UNISERV believe that the decision to continue to work beyond the current mandatory age of retirement should be made by the staff member. If not, it would be without parallel in any national system: in no other setting does the employer have the authority to grant or deny employment

on a discretionary basis. A waiver under the sole authority of the Executive Head is considered arbitrary and unfair.

Moreover, CCISUA wishes to reiterate its long standing position that, while there are arguments for an increase in the mandatory age of retirement (longevity, trends in the member states, potential savings, etc.), there are also concerns that an increase in normal retirement age would negatively impact the UN system's efforts to rejuvenate. Also, it should be clear that increasing the age of retirement will not resolve the problem of succession planning in organizations, that is a sine qua non for effectively addressing the complex challenges facing the System. The fact that this planning is not in place raises serious questions as to whether the proposed solution of increasing the mandatory age of separation will have the intended positive impact, and whether negative consequences could outweigh possible benefits.

The Staff Federations believe that staff opinion must be carefully considered in all relevant fora in order to make decisions that respect the terms of employment valid at the time of recruitment and that provide staff with the essential financial security once they leave active service.

ANNEX IV – STATEMENT BY FICSA (supported by UNISERV)

FICSA would like to start its statement by acknowledging the difficulties you are confronting in the current financial climate. In these circumstances, we feel that solidarity and mutually agreed solutions would be the best way to go: one suggestion we would like to make from the start is that staff losing their jobs due to the financial crisis should be considered as internal candidates for positions in other organizations in order to do our best to keep good people in the system. We would be interested in receiving your views on this proposal.

Our bi-annual appointment with the HLCM is always preceded by intense debate across our membership. Each year, at the time of reporting to our Council about our dialogue, we are regularly asked for an assessment of the effectiveness of our interaction with you. The 21st meeting, last March in Paris, could be considered as a first, tentative step to establish better channels of communication. The mere fact that we are here today is proof of our willingness to pursue such a goal and trust to find a similar approach on your part.

The discussion on the Terms of Reference of our dialogue is still ongoing and a lot has still to be achieved. Let us provide an example. The draft Terms of Reference quote: “Staff Federations are invited on ad-hoc basis by the Secretary of HLCM, in consultation with the Committee’s Chair and Vice-Chair, to participate in an observer capacity in the discussion on subjects on the regular agenda of HLCM, on concerns of a system-wide nature that are of particular interest to the Staff”. In principle, such text could be taken as a promising sign. However, if we look at the current interpretation, it means that in the capacity of observers, the staff federations are not party to the positions adopted by the Committee nor present during the HLCM decision-making process. In essence, we are excluded from the substantive part of the discussions.

In addition, we need to understand what is meant to be covered under the definition of “concerns of a system-wide nature that are of particular interest to the Staff”. At this current session of the HLCM, our participation in discussions on item 6: Improving the efficiency and the effectiveness of the UN common system is not foreseen. Isn’t this issue the core of staff/management relations today? Isn’t the debate on “how to do more with less” of particular interest to staff?

We were informed in document CEB/2011/HLCM/14, prepared by the Sub-Committee on Improved Efficiency and Cost Control Measures, of a number of areas earmarked for “quick and high yielding actions”, including a whole range of high priority measures in the area of Human Resources Management. Such measures range from the review of staffing levels to the increased use of outsourcing -off shoring, and from the freeze of vacant posts to active soliciting of agreed separation. Not only are these issues of particular interest to staff and their representatives, they also represent the main cause of concern, since no aspect of our working life is potentially immune from their effects. Hence, we reiterate our plea for inclusion in discussions on your agenda item 6.

The same document attributes to the measures in the area of Human Resources Management an “important cost-saving impact, given the high proportion of staff cost in UN organizations”. Are we expressing an unreasonable concern at such statement? Should we just keep silent and accept that the staff, i.e. the fundamental resource of the international civil service, is looked at substantially as a disproportionate cost?

The financial crisis affecting several economies in the developed world is driving a domino effect that could easily run out of control and we ask you to exercise caution in making irreversible changes based on the current circumstances. We have gone through periods like this before (notably during the oil crisis in the mid-eighties) and the tide eventually turned. Staff should not be made to bear the burden of cost-saving initiatives or 'efficiencies'. Every effort should be made to safeguard our conditions of employment. We are willing to work with the administrations to develop mutually acceptable solutions, but we stress that staff need to be recognized as a partner in the process and their views respected.

Last year, in the name of harmonization, allowances for staff in specialized agencies, funds and programmes serving in non family duty stations were revised and reduced. The full effects of such changes have still to be assessed, but in the meantime additional reductions in Rest and Recuperation provisions will be submitted to the attention of the General Assembly. This year, in the name of "pragmatism", the methodologies to establish salaries or allowances, including those for mobility and hardship, have been modified or applied in an extremely conservative fashion.

We may easily understand how the Member States, particularly those most affected by the crisis, may find these measures very attractive from the financial side; however, we should not lose track of the human resource side of the equation. In this respect, the recent review of the personnel working on non-staff contracts is a very informative descriptor of the situation: the average use of non-staff contracts in the UN system is at 45 per cent, with peaks above 70 per cent. The comparison with an average use of 11.6 per cent of temporary employment in OECD countries is striking. It means that the UN has gone far beyond an acceptable level of non-staff use by any common standard. Isn't this alarming to you? Is this international civil service, composed of a patchwork of categories of staff, governed by different rights and conditions, going to best serve the interests of the Member States?

The UN common system is deploying staff in many dangerous areas and they are increasingly exposed to malicious acts, including terrorism. We all share the same dismay and grief when our colleagues lose their lives in the performance of their duties. However, we should not forget that non-staff categories are entitled to compensation "under their respective insurance plans", hence they will be compensated under MAIP "if applicable". Based on the information available, we can enumerate at least 30 different types of non-staff contract currently in use: we all serve under the same flag, but we are certainly not allowed the same safeguards.

The HR Network will be asked, under this item, to look at the financial implications of the review. We would like to see the ethical and the functional implications considered as well.

This issue leads us to spend a few words of appreciation for the action conducted by UNDSS to protect our safety and security. No easy task, but we find the approach adopted to-date very open and receptive of staff's concerns. Recent events have demonstrated the need for efficient management of critical situations and FICSA wishes to call again your attention to ensure that appropriate, updated training is made available to staff, irrespective of their contractual status. We have been advocating for many years the enhancement of security measures for local staff, particularly in case of evacuation. In many cases local colleagues left behind are the most exposed to danger. Therefore we shall follow with extreme interest the discussions on the Programme Criticality Framework, an issue on which we receive frequent requests for clarification. It is intended to determine who stays and who leaves: staff definitely need to understand how it is going to work.

On another issue we look with interest at the project for harmonization of vacancy advertisements and selection processes at the country level for General Service and National Officer positions. The aim is commendable; based on past experience with the mobility policies, we wonder how certain barriers will be overcome. The management style of organizations is not uniform; the approach to post classification and organizational structure is quite diverse. We are pleased to see that staff federations will be involved in the project and stand ready to cooperate.

Before concluding, let me briefly recall our interest and active participation in the ongoing discussions on the Mandatory Age of Separation. The staff federations conducted a survey on this subject and the response yielded from FICSA's constituency show a split opinion among staff: only a slight majority (52.8 percent) would support an increase to 65 years, although there was a substantial consensus on the need to respect the conditions of employment of the staff already on board on the date of implementation. In essence, while the increased MAS would be applicable for new recruits, it should be opted for by serving staff on a voluntary basis. Some organizations successfully applied a similar approach when MAS was raised from 60 to 62 years and we should look at that experience as a model.