

**Chief Executives Board
for Co-ordination**CEB/2003/HLCM/4
25 February 2003Meeting of CEB HR Network
UN, Geneva, 22-23 January 2003**CONCLUSIONS OF THE MEETING OF THE HUMAN RESOURCES NETWORK****CONTENTS**

	<u>Paragraph/s</u>
I. Adoption of agenda	1
II. Adoption of draft conclusions of the video conference	2
III. Review of General Assembly Resolution 57/285	3-4
IV. Reform of Pay and Benefits	
A. Validation and promulgation of the Master Standard	5-8
B. Modalities for the pilot study of broad banding and reward for contribution.....	9-11
C. Further development of modalities for the Senior Management Service	12-15
V. Contractual Arrangements	16-17
VI. Mobility	18-19
VII. Other business.....	20

ANNEXES

- I. Agenda**
- II. List of Participants**

I. ADOPTION OF AGENDA AND WORK PROGRAMME

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

II. ADOPTION OF DRAFT CONCLUSIONS OF THE VIDEO CONFERENCE CONSULTATION

2. The conclusions were adopted without amendment.

III. REVIEW OF GENERAL ASSEMBLY RESOLUTION 57/285 ON THE COMMON SYSTEM

3. The HR Network spokesperson from the United Nations fully briefed the meeting on the discussions in the Fifth Committee and General Assembly which had led to the adoption of resolution 57/285. The increase in the base/floor salary scale proposed by ICSC to bring the margin to the desirable midpoint of 115 had not been approved; instead, the General Assembly had approved a smaller increase that would bring the margin to an overall average of 112 and at P.4, P.5, D.1 and D.2 to approximately 111 (as the margin was above 115 for P.1, P.2 and P.3, no increases were approved for these levels). The spokesperson shared copies of correspondence between the Secretary-General and the Presidents of FICSA and CCISUA on the subject.

4. The Network: –

- Appreciated the efforts of all those involved in the discussions with the United Nations General Assembly on the matter, including representatives of the secretariats of the UN, the CEB and ICSC;
- Took note of the communications between the Secretary-General and CCISUA & FICSA on this matter;
- Emphasized the important role that HR departments must exercise in educating staff on the context and methodological reasons for the decisions;
- Observed that article 54 of the Pension Fund Regulations, which stipulated that pensionable remuneration scales should be adjusted “by a uniform percentage”, should be revisited with a view to ensuring that it was applicable in cases other than an across-the-board increase.

IV. REFORM OF THE PAY AND BENEFITS SYSTEM

A. Validation and promulgation of the Master Standard

5. During the Network’s video conference of 6 December 2002, it had been agreed that organizations would cooperate in the testing and validation of the new Master Standard. To this end, organizations had agreed to submit to the ICSC secretariat up-to-date job descriptions for their most representative occupational groups and grade levels. The Network had also requested the ICSC secretariat to provide organizations with a detailed timetable to ensure that sufficient time was available once the testing was completed for the consultative and approval process within each organization.

6. The Network reviewed the ICSC secretariat's letter of 14 January 2003 which provided *inter alia* additional information regarding the testing and validation exercise and a breakdown of the job descriptions which organizations had submitted.

7. Responding to questions, the representative of the ICSC secretariat informed the meeting that:

(a) A sample of 10 % of the jobs submitted by the organizations would be used in the testing and validation of the new Master Standard; thus, these would be selected from the most populous grade levels (i.e. P.3 and P.4) which was in keeping with the approach used in the equivalency studies with the comparator;

(b) Job descriptions would be excluded from the testing in cases where the context was unclear (no organization chart provided) or job descriptions older than 5 years;

(c) It was intended to carry out two validation workshops, one in New York (24-26 February) and one in Rome (4-6 March) with a total of 12-14 representatives nominated from each organization and staff bodies in each workshop;

(d) In addition to the testing workshops, a number of training workshops on the new standard would be carried out in 2003 for staff who required knowledge of the standard as part of their job functions;

(e) At the forthcoming session of ICSC, organizations would be provided a CD-ROM of the new computer application for applying the Master Standard.

8. The Network agreed that: –

- As a result of an informal polling during the Network session and the number of European-based organizations interested in participating in the validation exercise, two workshops should be held back to back in Geneva;
- It was for each organization to determine who would participate in these workshops which could include field personnel and non-specialists (i.e. not just job classifiers), especially in view of the expectation that the new Standard could be applied also by non specialists;
- In order to ensure that a truly representative sample of jobs (occupations and levels) were included in the test, it would request the ICSC secretariat to inform organizations of the job descriptions which had been included in the final sample and which ones had been dropped;
- The results of the testing should be submitted back to the organizations;
- As it stated earlier, after testing and before promulgation, the final version of the Master Standard should be submitted formally to organizations, with sufficient time for the consultative and approval process within each organization.

B. Modalities for the pilot study of broad banding and reward for contribution

9. Notwithstanding the Network's concern to keep banding options open with regard to banded structures, ICSC at its 55th session had decided that a pilot study should be conducted of one broad-banded model and related pay-for-performance system in volunteer organizations. It was ICSC's view that at least one organization should pilot the "confluence" approach and a second should pilot the more traditional approach to reward for contribution.

10. Responding to questions, the representative of the ICSC secretariat informed the meeting that:

- (a) The organizations' final positions with respect to their preferred broad-banded model would have to be communicated to ICSC at the very latest at its summer session;
- (b) A number of organizations had said that they were not ready to participate in the pilot;
- (c) Criteria for participation in the pilot were (i) that a credible performance appraisal system was in place which meant that it was acceptable to the staff and resulted in a reasonable distribution of performance ratings and (ii) that payroll systems were or could be put in place to ensure that the current salary system could run in parallel with the pilot and (iii) that a reasonable number of staff (approximately 200) would be covered under the pilot;
- (d) The ICSC secretariat would work with participating organizations in refining modalities and in putting in place appropriate systems for the pilot;
- (e) In order to avoid legal problems and to allow for the eventuality that the new system was finally not approved, all staff would receive whatever was granted under the current system, including step increments; the virtual system would then exceed payments under the current system only for those judged to be superior performers.

11. The Network–

- Emphasized that it should be up to each organization to determine its readiness to participate in the pilot;
- Noted that before any organization would be ready to commit to participation in the pilot¹, more information was required on the monitoring and reporting requirements and other modalities which might be provided bilaterally by the ICSC secretariat in view of the need for tailoring these to individual organization's existing systems;
- Considered that conditions governing the operation of the pilot study should simulate the real situation as closely as possible so as *inter alia* to be able to assess the impact on behaviour, both of staff members and managers;
- Noted that some preferred a banding option (or options) which would provide for the distinction between D.1 and D.2 because of distinct conditions governing appointments at the D.2 level; these organizations therefore did not favour the model which ICSC had supported;
- Agreed that reasonable distinctions should be identified between entry level, middle level and high level for the bands;
- Agreed that it would inform the Commission that it was essential that the broad-banded model/s selected for the testing should be congruent with the work environment of the organizations participating in the pilot;
- Concluded that it would advocate in ICSC that two banded options be tested and each in more than one organization so as to make a proper assessment before selecting one model for application across the common system;
- Decided that those options would be P1/P2, P3/P5, D1/D2, and P1, P2/P4, P5/D1, D2;
- Noted that past resolutions of the General Assembly had made no reference to cost neutrality; and
- Looked forward to receiving additional information in the documents for ICSC's next session *inter alia* on the modalities, detailed time-frame, analysis of the banding options and the legal implications of the pilot.

¹ UNDP, UNICEF, UNAIDS and WMO expressed some initial interest in participating in the pilot.

C. Further development of modalities for the Senior Management Service

12. Organizations supported the introduction of the Senior Management Service (SMS) because they believed that it would *inter alia* strengthen managerial and leadership capacity, serve to build a common corporate culture, enhance inter-agency cohesion and coordination and signal a commitment to the professionalization of the management function. At its 55th session, ICSC recognized that the introduction of a SMS had merit but decided that it would not require a separate pay and benefits package. The General Assembly in resolution A/57/285 on the UN common system requested that the Commission review its decisions regarding the SMS, “including the question of whether the SMS should be dealt with within the framework of the review of the pay and benefits system, in view of the intention of the General Assembly to consider the question at its fifty-eighth session”.

13. The representative of the ICSC secretariat informed the meeting that –

- (a) in view of the opposition by some member States to the introduction of a SMS, the issue would probably only be taken up again by the Commission in 2004; and
- (b) The establishment of a dual career was related to the revision of the job classification system and could be incorporated into any of the banding options.

14. The Network noted that: –

- The resolution specifically requests ICSC to report back on this matter to the General Assembly’s 58th session (i.e. 2003);
- Because ICSC had excluded the possibility of a special pay and benefits scheme for a SMS, the matter might equally well be dealt with under the CEB machinery; organizations could in any case continue to work on the criteria for inclusion into the SMS and the core competencies, especially as these could serve as an underpinning to the UN Staff College’s management development programme.

15. It therefore requested that: –

- The CEB secretariat prepare a roadmap for moving the matter forward at the next meeting of the HR Network.

V. CONTRACTUAL ARRANGEMENTS

16. At its video conference, the Network recalled the position that it had repeatedly taken on this issue. Contractual arrangements must be flexible so as to respond to organizational needs which were governed by changing financial realities and the views of each organization’s legislative body. Thus, the Commission should only adopt a general framework on what should be the minimum conditions of service for employing staff rather than to adopt a more prescriptive approach.

17. The Network: –

- Reiterated the concerns it had expressed on the document prepared for ICSC's 55th session which would be taken up at its 56th session in terms of certain imprecisions and the document's conclusions;
- Requested organizations to provide the ICSC secretariat urgently with their comments on or updated information for the document;
- Agreed that FAO in collaboration with WHO and the CEB secretariat should prepare a short policy document on the matter for presentation to the Commission.

VI. MOBILITY

18. The representative of the ICSC secretariat informed the meeting that a consultant was preparing a document for submission to the ICSC's summer session on this issue. While the primary focus would be on inter-agency mobility, it would also cover mobility within organizations to the extent that headquarters/field mobility would be addressed.

19. The Network: –

- Requested the ICSC secretariat to ensure that extensive consultation was undertaken with organizations at an early stage in the preparation of this document in accordance with the Commission's working methods approved in 1998.

VII. OTHER BUSINESS

Working Group for the Review of the GS Salary Survey Methodologies

20. The Network: –

- Noted that the working group had been scheduled to take place either in New York or Geneva during the week of 17 February;
- Noting that the proposed dates for this event would coincide with other inter-agency HR activities, invited the ICSC secretariat to consider alternative dates, and in this context urged the CEB and ICSC secretariats to enhance their consultation when scheduling events of this nature;
- Agreed that the organizational representatives on the working group should include the UN, UNDP, WHO and IAEA (for the Headquarters methodology) and FAO (for the non headquarters methodology);
- Decided to request the ICSC to repeat previous practices whereby organizations with duty station specific concerns be invited as observers in the working group and provide information thereon when necessary.

ANNEX I – Agenda as adopted on 22 January 2003

- I. Adoption of agenda (CEB/2003/HLCM/2/Rev.1)
- II. Adoption of draft conclusions of the video-conference consultation (CEB/2003/HLCM/1)
- III. Review of General Assembly resolution RES/57/285 on the common system
- IV. Reform of pay and benefits – moving forward on:
 1. Validation and promulgation of the Master Standard
 2. Modalities for the pilot study of broad banding/reward for contribution
 - (a) Consideration of model to be selected for pilot
 - (b) Operating mechanisms
 - (c) Financial Controls
 - (d) Volunteer Organizations
 - (e) Reward-for-contribution
 3. Further development of modalities for the Senior Management Service:
 - (a) Defining membership
 - (b) Validating core competencies
 - (c) Reviewing supplemental competencies
 - (d) Developing learning/assessment strategies
- V. Contractual arrangements
- VI. Mobility
- VII. Other business

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