

**SUMMARY RECORD OF THE
SPECIAL MEETING OF THE CONSULTATIVE COMMITTEE
FOR ADMINISTRATIVE QUESTIONS****UNITED NATIONS OFFICE IN GENEVA,
GENEVA, 1-2 JUNE 1995**Introduction

1. After consultation with members of the Administrative Committee on Coordination (ACC), the Secretary-General convened a special meeting of the Consultative Committee on Administrative Questions as a whole in Geneva on 1-2 June 1995, as part of the preparations for the second regular session of ACC.
2. Mr. Joseph E. Connor, Under-Secretary-General for Administration and Management of the United Nations, presided over the meeting. The list of participants is attached in annex II.
3. The meeting was intended as an occasion for reflection by senior administrators on the management of change in the organizations of the common system, including the contribution to this process of inter-organizational bodies such as the International Civil Service Commission and the Joint Inspection Unit. In this context, the Chairmen of the ICSC and of the JIU and the staff representatives had been invited to make a written submission and/or participate in an exchange of views in the course of the meeting if they so wished.
4. The present document summarizes the discussions and provides the text of the conclusions and decisions reached. The agenda is contained in annex I.
5. In addressing the first two items on the agenda, Mr. Connor noted that the organizations of the common system were very concerned about what was seen as unresponsiveness by ICSC; the relationship between the International Civil Service Commission and ACC had become almost confrontational. The time had come to put a constructive focus on this relationship with the ICSC. Many were unhappy about the large disparity in remuneration between the common system and the Bretton Woods' and other institutions. Remuneration levels were directly related to the need for qualitative improvements in performance, both at the organizational and individual levels. Top quality candidates continued to refuse offers of appointment and good staff continued to leave to take up better remunerated posts and to join other organizations where the value of their services was better recognized.

6. The effective functioning of the organizations of the common system was being undermined by ICSC's inaction in responding to the concerns which ACC had repeatedly expressed of the urgent need for improvements in conditions of service and the importance of restoring the competitiveness of the common system. There had been repeated and unacceptable delays in finalizing the studies of the application of the Noblemaire principle as mandated in resolution 47/216. ICSC had similarly failed to respond to the request of ACC at its second regular session of 1994 that it table a report on all aspects of the application of the Noblemaire principle in time for consideration by ACC at its first regular session of 1995. This slow reporting process and the complexity of the techniques applied pointed to the need to consider a more straightforward, less complex process for the establishment of conditions of service.

7. Participants in the meeting were invited to give in-depth consideration to the causes, extent and corrective means for addressing the current situation, in order to achieve qualitative improvements in the competitiveness and effectiveness of the common system. The results of the meeting's discussions would be reported to ACC at its second regular session (October) of 1995.

Item 1 (a) An Assessment of the status of ICSC's current review
of the application of the Noblemaire principle

8. The meeting addressed the request of the General Assembly that all aspects of the application of the Noblemaire principle be taken up by ICSC, with a view to ensuring the competitiveness of the United Nations common system.

9. As ACC had repeatedly pointed out, the United Nations common system was not a competitive employer. Recent studies had confirmed or were likely to confirm that the UN was not competitive when matched against (a) some pay levels in the comparator civil service and notably the pay levels that would be applied by the US federal civil service if the FEPCA¹ legislation were being implemented, (b) other potential comparators (the German or Swiss federal civil services), (c) other international organizations (the World Bank group and the Coordinated Organizations).

10. The Chairman of the Consultative Committee on Administrative Questions (Personnel and General Administrative Questions (CCAQ(PER))) briefed participants on the work accomplished to date and the issues for decision by ICSC at its forthcoming session in July 1995. CCAQ(PER) had called for action to remedy the lack of competitiveness of remuneration of the UN common system which was required under two headings: (a) the level of the current margin range and (b) a revision in the application of the Noblemaire principle.

¹ FEPCA: The Federal Employees Pay Comparability Act of 1990.

11. The estimated margin for 1995, as reported at ICSC's forty-first session, was 111.4. As a result of ICSC action to revise the methodology for the calculation of the margin, it was expected to fall well below 110. This should normally trigger an across-the-board increase of UN common system remuneration levels in order to bring the margin to around the mid-point of the current margin range.

12. Even with the potential across-the-board increase which should result from current margin levels, UN remuneration would remain seriously uncompetitive when measured against any of the reference points under study by ICSC: the OECD (the gap was in the order of fifty per cent); the World Bank (the gap was expected to be very big); the German civil service and the Swiss civil service. It appeared that ICSC might agree to devise a formula in which some or all of these comparators would be reflected, whilst retaining the US federal civil service for calculation purposes. To this end, the margin range could and should be increased: ICSC had also agreed that, in implementing these increases, attention would be given to adjusting the salary scale to reduce the current imbalances in individual margin terms. As this matter was pursued, it was essential for executive heads to continue to support these potential increases.

13. In the discussion, there was a high degree of convergence of views. Participants noted that the convening of the meeting was a direct expression of the Secretary-General's and other executive heads' serious concern over the situation. ICSC's current interpretation of the Noblemaire principle had held the common system hostage long enough, and its slow progress in addressing the request of the General Assembly to study all aspects of the application of the Noblemaire principle was symptomatic of its failure to respond to the organizations' needs.

14. An impression was gaining ground that ICSC made use of methodological concern to counter arguments which would justify increases in remuneration. In reviewing issues, there was a tendency for some members of the Commission to 'second guess' the Fifth Committee. The election process only served to reinforce this point of view. Moreover, the Commission's deliberations tended to be coloured by some individual members' personal biases based on their national experience.

15. Participants commended the work which had been carried out by CCAQ(PER) in respect of remuneration comparisons with other international organizations. Nonetheless, it appeared that ICSC continued to challenge the validity of making comparisons with these organizations. Yet, the ICSC secretariat's equivalency studies had reinforced CCAQ's claims that the nature of the work and recruitment requirements of the organizations of the common system were more akin to those of the World Bank and the Coordinated Organisations than to a national civil service; in many instances, Bank job descriptions were identical with those found in organizations of the common system. A number of participants emphasized the day-to-day collaboration between their organizations and other international organizations in the joint implementation of projects (e.g. IFAD with the World Bank, IAEA with EURATOM, WIPO with the European Patent Office).

16. Many participants considered that UN remuneration would always be subject to flux if it remained linked to the pay levels of one national civil service which, by its very nature, was subject to domestic policy considerations which had no validity for the international civil service. The smooth functioning of the common system could only be guaranteed if pay levels were linked to other international organizations whose work and environment were more akin to common system organizations.

17. The basic distinction between the pay-setting approaches of the outside international organizations and the UN common system was that, while the Bank focused on a basket of comparators in a particular sector and the Coordinated Organizations used as a reference point a number of national administrations (which did not include the United States), the common system was linked to one national civil service, that of the United States, whose levels had been allowed to deteriorate against those of its own private sector. Pay levels of the common system had been artificially constrained by the non-implementation of the FEPCA legislation which was meant to close the gap with the US private sector.

18. Participants agreed that competitiveness was the basic principle which would have to underpin pay setting. Current pay levels had been allowed to deteriorate to such a degree that the situation had become intolerable and urgent action was imperative. The gap between UN common system remuneration and a range of national and international, public and private comparators impeded organizations' ability to recruit and retain staff in keeping with the exigencies of the Charter. The serious margin imbalances at the top levels of the scale were of particular concern and had to be overcome through some restructuring of the scale, the extent of which would depend upon the level of a future increase.

19. While some participants continued to support an approach which involved a change of comparator and more fundamental structural changes in the remuneration system, others feared that ICSC would take years to implement a significant departure from the current approach. At the time of the comprehensive review in 1990 and in more recent years, some fundamentally different strategies to pay setting had been explored but rejected. Special agency rates which were of interest to some organizations had been rejected by ICSC. ICSC had agreed, in principle, to the introduction of special occupational rates, but the requirements governing implementation dictated by ICSC made their application impracticable. One participant expressed the view that enough time had been wasted on methodological issues and proposed that the organizations call for an immediate across-the-board increase as an interim measure as a test of the good faith of the administrations and Member States.

20. The meeting unanimously agreed that immediate action was required with respect to the upwards adjustment of the margin. Furthermore, ACC should be requested to endorse any proposals forthcoming from ICSC regarding improvements in remuneration. Nonetheless, consonant with the spirit of the Noblemaire principle, a longer-term solution must be sought if the system was not to find itself in the same situation in a few years' time. ICSC should therefore be a partner in a process of assisting organizations in the development of modern and innovative strategies to provide competitive remuneration levels.

21. Political and financial realism had to be taken into account in an overall strategy for improvements. Differences between organizations of the common system had also to be recognized. Some organizations had been living with zero-growth for many years; others were expanding to meet new mandates. The General Assembly and many other governing bodies had called for streamlining and greater efficiency. Consequently, some organizations had already undergone substantial "downsizing" and restructuring. In this regard, it was recalled that CCAQ(PER) had recognized for some time that a compact was essential to engage Member States, the organizations and the common system in a process of change which would improve organizations' effectiveness along with the conditions of service. Resources were finite; Member States therefore had to be assured that they would receive quality for their money through effective performance management.

22. Participants agreed that full consultation directly with Member States was necessary in order to mobilize their support. While most organizations had to accept - at best - zero-growth budgets, investment in the management of human resources was sound; if lower salaries were offered, it would be impossible to obtain services of the required quality. Member States should be asked to determine performance indicators.

23. The meeting agreed that a plan of action to engage member States in a dialogue in key duty stations and in New York was needed to heighten the General Assembly's awareness of the diversity of the common system.

24. The meeting concluded that there was a need to pursue energetically a strategy to restore the competitiveness of the UN common system. To this end, it would recommend that ACC should support:

- an increase in remuneration levels, with immediate effect, in order to bring the current margin to around the mid-point of the range;
- an upward adjustment of the margin itself in order to begin to close the gap between United Nations remuneration and a range of national and international, public and private comparators;
- an overall adjustment in remuneration resulting from both these measures which would serve to launch the strategy towards a return to competitiveness;
- restructuring the salary scale in order inter alia to correct the serious imbalances at its upper levels;
- the development of a longer-term strategy which was consonant with the spirit of the Noblemaire principle to ensure over time the competitiveness and stability of common system remuneration and which, in the long run, would replace the traditional pay-setting approach of ICSC by a process which motivated staff, rewarded quality and better reflected the dynamics of organizational change;

25. To attain these goals, the meeting adopted the following plan of action:
- each organization, through its governing body members, would make inputs to the Fifth Committee of the General Assembly in support of the above strategy to restore competitiveness; and
 - the CCAQ secretariat would help coordinate action to: (i) identify a lead agency in each location to develop contacts with Member States representatives in that location; (ii) prepare briefing notes which would be supplemented by each of the organizations of the common system with details of the particular difficulties they faced as a result of the lack of competitiveness in remuneration levels; (iii) ensure the participation of a representative sample of agency heads or their representatives in briefings prior to the Fifth Committee's consideration of the 1995 ICSC report.

item 1 (b) An assessment of the consultative process between the ICSC, the organizations and the staff

26. Under this agenda item, the meeting addressed the request of the General Assembly, by its resolution 49/223, that the staff bodies, organizations and the Commission "review with all urgency how the consultative process of the Commission can best be furthered". At this stage, there was a crisis of confidence with the Commission. Participants considered how the ICSC structure, membership and/or procedures might be reformed in order to enable ICSC to regain its role as the central mechanism for establishing and maintaining up-to-date conditions of service and hence to overcome criticisms voiced about ICSC's "politization", responsiveness and cost.

27. Opening the discussion, the Chairman of the Consultative Committee on Administrative Questions (Personnel and General Administrative Questions (CCAQ(PER))) briefed participants on a number of preliminary proposals on the question of the consultative process and the functioning of ICSC that CCAQ(PER) had put forward in an informal exchange of views at the ICSC's forty-first session with the presence of all the involved partners. The representatives of FICSA and CCISUA had presented their views at this informal meeting which had been convened under the auspices of CCAQ. ICSC members had also provided comments on some of these proposals, limiting themselves mainly to procedural concerns related to its sessions and work programme.

28. CCAQ(PER) considered that there were three major areas in which ICSC's effectiveness could be improved: its structure, the selection of Commission members, and its methods of work. Two alternatives for structural reform of ICSC had been put forward: the first provided for a tripartite framework of the Commission made up of members appointed by the three consultative partners - Member States, executive heads and staff; the second introduced an element of tripartism within the current framework of the Commission with members elected by the General Assembly with a proportion from among lists of candidates put forward by ACC (three members) and by the staff bodies (two members).

Minor variants to the latter alternative were also proposed which would provide for up to half of the 10 Member States proposed by the General Assembly to be drawn upon from lists submitted by governing bodies other than the General Assembly. Structural reforms could also be accompanied by the review of the current arrangements relating to the establishment of two technical advisory bodies to provide advice to the Commission: one of highly qualified specialists in human resources management and another of statisticians for post adjustment and other methodological issues.

29. CCAQ(PER) had also considered that limiting the terms of office to two times four years and delinking the election process for members to the Commission from that of other UN subsidiary bodies would better ensure a membership with state-of-the-art personnel management qualifications. In light of the changing structures and programmes and complexity of common system organizations, the Commission should also work with the consultative partners to redefine what were core common system concerns.

30. Among the other reforms advocated by CCAQ(PER) were (a) greater delegation of authority on selected matters to the Bureau or to groups of Commission members, (b) use of task forces on certain topics outside the framework of sessions, (c) a management audit of the ICSC secretariat, (d) increased consultation with the consultative partners in establishment of the work programme and in the work of the secretariat and (e) increased exchanges of staff and enhanced rotation and mobility of the staff of the secretariat in order to ensure its excellence.

31. Mr. Patricio Ruedas (UN consultant), who had attended the related proceedings of ICSC as part of the UN delegation and had carried out informal consultations with Member States, briefed the meeting on his preliminary findings in response to the request that he evaluate the functioning of the ICSC and propose alternatives for the improvement of the consultative process. In his view, the Assembly was unhappy about difficulties in the relationship between the Commission and the staff bodies. The serious crisis of confidence was engendered by the perception of the partners that ICSC was a ponderous, unresponsive mechanism which comprised individuals of uneven and at times insufficient quality. He had, however, detected a fair degree of satisfaction among Member States with the quality of the substantive work of the Commission and its secretariat; ICSC, as a "buffer" unit, inevitably would attract the slings and arrows of the parties involved in the process.

32. In view of the the lack of a meaningful response to ACC's 1991 proposals on the functioning of ICSC, greater political realism should prevail in the approach this time. The credibility gap between the ICSC and the partners could best be overcome by focussing on the quality of members and the manner in which they were appointed. Member States should therefore be mobilised with a view to revitalizing the nomination process by ensuring that there was real consultation between Member States, executive heads and staff bodies in keeping with the original intent of Article 4 of the Statute. A General Assembly Resolution might be an appropriate vehicle for delineating Articles 3 and 4 of the ICSC Statute more precisely.

33. In the discussion, participants recognized that at its last session ICSC had demonstrated some goodwill to improve its functioning. For ICSC to be seen as an essential partner and provide leadership in the dynamic process of management improvement, however, it must be more forward-looking and innovative. It had failed too often to be an important adjunct in the management process and had not demonstrated a sensitivity to the diversity of the system and a responsiveness to the governing bodies of all the organizations. The confidence of all partners could only be regained if the Commission comprised members with relevant high-level managerial experience and knowledge of current human resource management theories and techniques. In order for the system to operate effectively, truly global core issues should be distinguished from those issues which were more limited in scope.

34. There was a large measure of support for the alternative for structural reform which had the potential for instituting meaningful change by infusing some tripartitism, but would not require a revision of the Statute. Another alternative which would also remain within the spirit of Article 4 of the Statute was proposed: a tripartite search mechanism for the early identification and screening of candidates meeting a pre-determined profile. The extensive worldwide network of the UN system gave it a unique capacity to find high-level specialists from among the private and public sectors, academia, etc. With the Secretary-General's strong support, the membership could be completely transformed by 1998.

35. Some participants considered that, because the staff felt totally excluded from the process, any solution less than a tripartite structure which ensured their full participation might not resolve the crisis of confidence; at this stage, all options should therefore be kept open. There were, however, pitfalls if true negotiation were instituted in an international organization. Over the long term, the total divorce from the objective, technical basis for establishing conditions of employment could lead to even greater deterioration in relations between the consultative partners. One participant considered that the costs involved, including those associated with staff time participating in the sessions of ICSC and responding to requests for information, were an additional argument for a more narrow delineation of its functions.

36. The Special Meeting decided to put forward alternatives for structural reform; each of these would enhance the tripartite nature of ICSC. The alternatives were: (a) the creation of a tripartite body made up of members appointed by each of the three consultative partners - Member States, executive heads and staff; (b) within Article 4 of the ICSC Statute, revision of the selection process so as to provide for nominations for a defined number of seats directly from the executive heads and staff bodies (the ten, three, two formula); or (c) also within Article 4 of the Statute, to provide for a tripartite search mechanism for the early identification and screening of all candidates meeting a pre-determined profile. Under alternatives (b) and (c), members of the Commission would continue to be appointed by the General Assembly as at present.

37. It further decided to propose that ACC should:

- actively work with Member States to delink the process of appointment of ICSC members from the election process to other UN subsidiary bodies;
- develop through CCAQ a profile which would more finely define and bring up to date the qualities required of members as laid down under Article 3 of the Statute;
- propose that the General Assembly limit the terms of Commission members to two times four years and set targets for achieving gender balance among Commission members;
- provide ICSC, in the context of Chapter III of the ICSC Statute, with an analysis of the global core issues on which ICSC should concentrate as opposed to those issues which were more limited in scope, or which were organization or location specific.

38. The Meeting also agreed to support the proposed reforms in respect of:

- a management audit of the ICSC secretariat;
- delegating greater authority to the ICSC Bureau or to a group of Commission members;
- introducing task forces or focus groups on particular issues into the ICSC framework;
- increasing the participation of the consultative partners in the work of the ICSC secretariat and in the preparation of ICSC documents;
- streamlining the ICSC work programme, the setting of agendas and the scheduling of meetings;
- restoring the ICSC secretariat as a centre of excellence.

Item 2 An Assessment of the Joint Inspection Unit

39. The meeting assessed how JIU could be made more relevant in assisting organizations to grapple with various aspects of change. The Special Meeting was concerned that the problems encountered with JIU lay not with the Statute; in general, the JIU function was viewed as an important one. The problems voiced tended to focus on the cost/benefit of the current JIU function and on the following areas:

- the selection and appointment of Inspectors;
- the relevance of the studies undertaken;
- the rigour of the studies;
- over-concentration on research rather than evaluation and management audit;
- the working methods;
- duplication with other bodies (including ICSC) and studies.

40. The Chairman of JIU, who had been invited to address the Special Meeting, highlighted efforts to heighten productivity: improvement of programming methods being made, particularly more equitable distribution of topics for reports; better reflection on the needs and concerns of the participating organizations; more cohesive long-term planning; establishing a roster of studies; more scrutiny in the choice of topics for reports, taking into consideration their timeliness, relevance and cost effectiveness and enhanced consultation with participating organizations. Advocacy of reforms in personnel policies and procedures, along with the areas of planning, programming and evaluation were areas of continuous concern to JIU as exemplified in recent studies on recruitment, the status of women and management accountability. JIU sought to be a supportive partner in organizations' efforts to achieve greater efficiency and effectiveness to the extent its limited resources permitted. An oversight function was a two-way street; partners should therefore adhere to their responsibility to target the real problems and to engage in a meaningful dialogue on the substance of reports.

41. Responding to questions, the Chairman explained that the JIU had had to adapt and respond to the requests of Member States, the JIU's principal client, which had sometimes given conflicting instructions and which could result in a perceived over-lap with the work of other subsidiary bodies. As opposed to the UN Office of Internal Oversight, the JIU was the only body focussing on management audit with a system-wide mandate. For strategic reasons, JIU reports sought to avoid a censorious approach. The impact of JIU studies depended upon their full consideration by those responsible for implementing change.

42. In the discussion, participants recognized that, in general, a management audit function was crucial at a time when all organizations were urged to "do more with less". In an era of public disclosure, such a Unit should be constructive and helpful. There appeared to be a deterioration in the work of the JIU in recent years; the key issue was the calibre of those carrying out that work. Considering the costs associated with the JIU budget and staff time in responding to requests for information, organizations did not perceive that they were receiving value for their money. Organizations did not receive feedback from Inspectors when their proposals for work programme and comments on studies were not accepted.

43. Conceptually, a system-wide approach to management audit was also open to challenge; many problems were local in nature and could be better tackled by other management/oversight bodies.

44. Like organizations' relationships with external auditors, the JIU should work in a fuller partnership with the organizations. It could be made more responsive and relevant through a better balance and heightened expertise of Inspectors, more systematic concentration of studies on organizations' priorities and concerns and stricter adherence to the nomination procedures as provided for in its Statute. In consonance with the trend everywhere for greater accountability, JIU should be subject to a process of periodic peer review by the Panel of External Auditors.

45. Concerned to increase the value of the management audit function, the Special Meeting decided to recommend to ACC measures for improvement in the following areas:

- application of the Statute to the letter in respect of the selection and appointment of Inspectors;
- insistence on the presentation of multiple candidates for appointment to JIU and to the institution of "hearings" for those candidates;
- submission of some proposed studies to nominees of the Panel of External Auditors or other internal management/oversight bodies or, in the case of studies for one agency, of small groups comprising an external consultant, a Member State expert and a member of the organization itself;
- establishment of priorities for the JIU work programme in ACC which could also be subject to screening by CPC;
- opening secretariat appointments to the common system as a whole and institution of a process of rotation with specialized agencies;
- the institution of periodic peer review of JIU by the Panel of External Auditors.

Item 3 Management Reforms

46. Linked to the consideration of the manner in which common system conditions of service might be made more competitive (item 1 (a) above), participants began an exchange of views on those strategies for the introduction of improved efficiency measures which had proved most successful in the organizations and how problems associated with introducing such strategies had been overcome. Time was available for reports from only three organizations. It was agreed that, to the extent possible, such an exchange of views, which was valuable, should be pursued at a future date.

47. Opening the discussion, Mr. Connor stated that organizations of the common system had to be realistic and accept the fact that they were not immune from the financial pressures confronting Member States. The system had to become leaner, to do more with less and be modern in its management if its conditions of service were to be competitive. A situation analysis of the UN Secretariat had shown it to be overstaffed, outdated in its technologies and overly cumbersome and complex in its rules and procedures. The means for effectively evaluating performance and providing staff with the requisite incentives and training was central to a process of renewal.

48. Efforts to increase efficiency were underway in the United Nations in three areas: (a) the budgetary exercise was a targeted efficiency programme through zero-growth; (b) outdated programmes were being terminated without redeployment and (c) efficiency gains were being sought through technological improvements and the simplification of rules and procedures. From the beginning, the Secretary-General had involved the programme managers directly in this process by charging them with the responsibility of identifying those areas in each of their programmes where spending was least effective; to date, the largest savings had come from (a) abolishing outdated programmes and (b) through efficiency gains. The next phase will seek to identify duplication and overlap in activities and will be followed by a re-evaluation of the worth of remaining activities.

49. The General Assembly had recently endorsed a human resource strategy for the UN which involved an enhanced planning capacity, establishment of a career management system, introduction of a change management culture, including new styles of leadership and management, a new work-based performance appraisal system and action to improve gender balance. Other reforms involved greater delegation of authority to the regions, along with formal recognition of responsibilities and accountabilities and an early separation programme to facilitate turnover, especially among managers.

50. FAO, for its part, had recently reviewed all programmes, structures, policies and procedures in order to centralize its technical programmes to the field and streamline headquarters' departments. Other reforms were underway to introduce a new performance appraisal system, as well as a buy out programme. Efforts were also increasingly being made to sub-contract tasks formerly carried out by regular staff members.

51. ILO, focussing on effectiveness, relevance, impact and quality of service, had undertaken a number of measures. These included reform of its institutional organs, the International Labour Conference and the Governing Body; an examination of its relationship with its constituents in order to building an active partnership; institution of a demand-driven programme and budget and decentralization of many technical and administrative operations to its field structure. A noteworthy innovation was also the introduction of an annual programme planning and evaluation system at the level of each work unit.

Annex I

Annotated agenda

It is expected that the special meeting will take the form of a brainstorming session and allow for reflection by the senior administrators of the organizations of the common system on the management of change in these organizations and in particular to the contributions of ICSC and the JIU in this process of change.

The following are the items on which the special meeting is expected to concentrate.

Item 1 (a) An assessment of the status of ICSC's current review of the application of the Noblemaire principle

As ACC has repeatedly pointed out, the United Nations common system is not a competitive employer. Recent studies have confirmed that the UN is not competitive when matched against (a) some pay levels in the comparator civil service and notably the pay levels that would be applied by the US federal civil service if the FEPCA² legislation were being implemented, (b) other potential comparators (the German or Swiss federal civil services), (c) other international organizations (the World Bank group and the Coordinated Organisations).

In the light of the status of ICSC's current review of the application of the Noblemaire principle, participants will be invited to assess the best course of action to secure better conditions of service and hence to restore the competitiveness of the common system.

Participants will also be invited to consider how best the executive heads may contribute to the process through inter alia (a) a statement to the General Assembly, (b) interventions in their respective governing bodies and/or (c) other contacts directly with Member States.

Item 1 (b) Assessment of the consultative process between ICSC, the organizations and the staff

Participants will be invited to consider how the ICSC structure, membership and/or procedures might be reformed in order to enable ICSC to regain its role as the central mechanism for establishing and maintaining up-to-date conditions of service and hence, to overcome criticisms voiced about ICSC's politicization, responsiveness and cost.

In this connection, the options set out by CCAQ(PER) and contained in the report of CCAQ(PER)'s eighty-second session may be taken as a starting point for discussion.

Participants will be invited to assess which strategy might best be suited to meet the overall goal and the extent to which such a strategy would require amendment of the Statute.

Item 2. Assessment of the functioning of the JIU

Participants will review how the functioning of the JIU might be made more relevant and more responsive to organizations' current needs, especially in the area of management change.

In particular, attention will be given to increasing ACC's input to the consultative process leading to drawing up JIU's work programme and also to the procedures for the appointment of the Inspectors and staff of the Unit with a view to providing input *inter alia* for the Secretary-General's further report to the General Assembly on coordination, administrative questions and budgetary matters as requested in General Assembly decision 47/454.

Item 3. Management reforms

Linked to the consideration of the manner in which common system conditions of service might be made more competitive (item 1 (b) above), participants will be invited to exchange views on those strategies for the introduction of improved efficiency measures which have proved most successful in their organizations and how problems associated with introducing such strategies have been overcome.

Particular attention will be given to an exchange of ideas on how best to engage commitment from Member States in the process.

Annex II

LIST OF PARTICIPANTS

- United Nations: Mr. Joseph E. Connor,
Under-Secretary-General
for Administration and Management
- Mr. Denis J. Halliday,
Assistant Secretary-General,
Human Resources Management
- Mr. Keith Walton, Chief,
Compensation and Classification Service
- Mr. Maryan Baquerot, Officer-in Charge,
Division of Administration, UNOG
- Mr. Patricio Ruedas, Consultant
- UNICEF: Mr. Michael K. Corbett,
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- UNCTAD: Mr. Victor Busuttil, Chief,
Programme Coordination and Evaluation Unit,
Division for Programme Support
and Management Services
- UNDP: Mr. Toshiyuki Niwa,
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Bureau for Finance and Administration
- Mr. Bruce Frank, Chief,
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- UNEP: Ms. Cristina Boelcke,
Acting Chief of Administration
- Mr. Luis Felipe Guerrero, Chief,
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UNFPA: Mr. Hirofumi Ando,
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Ms. Imelda J.M. Henkin, Director,
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UNDCP: Mr. Bertrand Juppin de Fondaumière,
Deputy Executive Director

WFP: Mr. Peter Lässig, Deputy Director,
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UNRWA: Mr. Joseph Acar,
Director of Personnel

UNHCR: Mr. Gerald Walzer,
Deputy High Commissioner

Mr. Daniel Conway, Director,
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ILO: Mr. Anees Ahmad,
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Mr. J.-P. Baré, Chief,
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Mr. Eric Renlund, Chief,
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IMO: Mr. Roger G. Jones,
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**OUTCOME OF SPECIAL MEETING OF
SENIOR ADMINISTRATORS AND PLAN OF ACTION**
1-2 June, Geneva

A. The application of the Noblemaire principle

1. The Special Meeting addressed the request of the General Assembly that all aspects of the application of the Noblemaire principle be taken up by ICSC, with a view to ensuring the competitiveness of the United Nations common system. There was a high degree of convergence of views as to the need to pursue energetically a strategy to restore the competitiveness of the UN common system. To this end, it recommended that ACC should support:

- an increase in remuneration levels, with immediate effect, in order to bring the current margin to around the mid-point of the range;
- an upward adjustment of the margin range itself in order to begin to close the gap between United Nations remuneration and a range of national and international, public and private comparators;
- an overall adjustment in remuneration resulting from both these measures which would serve to launch the strategy towards a return to competitiveness;
- restructuring the salary scale in order inter alia to correct the serious imbalances at its upper levels;
- the development of a longer term strategy which was consonant with the spirit of the Noblemaire principle to ensure over time the competitiveness and stability of common system remuneration and which, in the long run, would replace the traditional pay-setting approach of ICSC by a process which motivated staff, rewarded quality and better reflected the dynamics of organizational change;

2. To attain these goals, the Meeting adopted the following plan of action:
 - each organization, through its governing body members, would make inputs to the Fifth Committee of the General Assembly in support of the above strategy to restore competitiveness;
 - the CCAQ secretariat would help coordinate action to: (i) identify a lead agency in each location to develop contacts with Member States' representatives in that location; (ii) prepare briefing notes which would be supplemented by each of the organizations of the common system with details of the particular difficulties they faced as a result of the lack of competitiveness in remuneration levels; (iii) ensure the participation of a representative sample of executive heads or their representatives in briefings prior to the Fifth Committee's consideration of the 1995 ICSC report.

B. The consultative process of ICSC

3. The General Assembly, by its resolution 49/223, had requested the staff bodies, organizations and the Commission "to review with all urgency how the consultative process of the Commission can best be furthered".
4. There was a crisis of confidence with the Commission. To overcome this, ACC needed inter alia to engage more actively in the selection of Commission members and to ensure the appointment of members who had the qualifications to bring state-of-the-art personnel management concerns into the Commission.
5. To this end, CCAQ had put forward a number of proposed reforms on which ICSC had provided comments limited principally to procedural aspects of its sessions and its work programme.
6. In the view of the Special Meeting, the need for reform went much further. It decided to put forward alternatives for structural reform, each of which would enhance the tripartite nature of ICSC. The alternatives were: (a) the creation of a tripartite body made up of members appointed by each of the three consultative partners - Member States, executive heads and staff; (b) within Article 4 of the ICSC Statute, revision of the selection process so as to provide for nominations for a defined number of seats directly from the executive heads and staff bodies (the ten, three, two formula); or (c) also within Article 4 of the Statute, to provide for a tripartite search mechanism for the early identification and screening of all candidates meeting a pre-determined profile. Under alternatives (b) and (c), members of the Commission would continue to be appointed by the General Assembly as at present.

7. It further decided to propose that ACC should:
- actively work with Member States to delink the process of appointment of ICSC members from the election process to other UN subsidiary bodies;
 - develop, through CCAQ, a profile which would more finely define and bring up to date the qualities required of members as laid down under Article 3 of the Statute;
 - propose that the General Assembly limit the terms of Commission members to two times four years and set targets for achieving improved gender balance among Commission members;
 - provide ICSC, in the context of Chapter III of the ICSC Statute, with an analysis of the global core issues on which ICSC should concentrate, as opposed to those issues which were more limited in scope, or which were organization or location specific.
8. The Meeting also agreed to support the proposed reforms in respect of:
- a management audit of the ICSC secretariat;
 - delegating greater authority to the ICSC Bureau or to a group of Commission members on issues which do not require deliberation or action by the Commission as a whole;
 - introducing task forces or focus groups on particular issues into the ICSC framework;
 - increasing the participation of the consultative partners in the work of the ICSC secretariat and in the preparation of ICSC documents;
 - streamlining the ICSC work programme, the setting of agendas and the scheduling of meetings;
 - restoring the ICSC secretariat as a centre of excellence.

C. The Joint Inspection Unit

9. The Special Meeting concluded that the problems encountered with JIU lay not with its Statute; in general, the JIU function was viewed as an important one. The problems voiced tended to focus on the cost/benefit of the current JIU function and on the following areas:

- the selection and appointment of Inspectors;
- the relevance of the studies undertaken;
- the rigour of the studies;
- over-concentration on research rather than evaluation and management audit;
- the working methods;
- duplication with other bodies (including ICSC) and studies.

10. Concerned to increase the value of the management audit function, the Special Meeting decided to recommend to ACC measures for improvement in the following areas:

- application of the Statute to the letter in respect of the selection and appointment of Inspectors;
- insistence on the presentation of multiple candidates for appointment to JIU and to the institution of "hearings" for those candidates;
- submission of some proposed studies to nominees of the Panel of External Auditors or other internal management/oversight bodies or, in the case of studies for one agency, of small groups comprising an external consultant, a Member State expert and a member of the organization itself;
- establishment of priorities for the JIU work programme in ACC which could also be subject to screening by CPC;
- opening the secretariat appointments to the common system as a whole and institution of a process of rotation with specialized agencies;
- the institution of periodic peer review of JIU by the Panel of External Auditors.