



NINTH ITEM ON THE AGENDA

**Reports of the Programme, Financial
and Administrative Committee****Second report: Personnel questions***Contents*

	<i>Page</i>
I. Statement by the staff representative.....	1
II. Amendments to the Staff Regulations.....	1
III. Exceptions to the Staff Regulations.....	1
IV. Composition and structure of the staff	1
V. ILO Human Resources Strategy	3
VI. Decisions of the United Nations General Assembly on the report of the International Civil Service Commission	9
VII. Pensions questions.....	9
(a) Decisions of the United Nations General Assembly on the report of the Board of the United Nations Joint Staff Pension Fund.....	9
(b) Report of the Board of the Special Payments Fund.....	10
VIII. Matters relating to the Administrative Tribunal of the ILO	10
(a) Composition of the Tribunal.....	10
(b) Statute of the Tribunal	11
(c) Recognition of the Tribunal's jurisdiction by the Agency for International Trade Information and Cooperation	11
IX. Other personnel questions	12
Appendix: Statement by the representative of the Staff Union.....	13

1. The Programme, Financial and Administrative Committee met from 7 to 11 March 2005 and was chaired by Mr. Séguin (Government, France). Mr. Botha (Employer spokesperson) was the Reporter.

I. Statement by the staff representative (Thirteenth item on the agenda)

2. The statement by the staff representative is appended to the present report.

II. Amendments to the Staff Regulations

III. Exceptions to the Staff Regulations (Fourteenth and fifteenth items on the agenda)

3. The Committee noted that there was no business under these two agenda items.

IV. Composition and structure of the staff (Sixteenth item on the agenda)

4. The Committee had before it a paper¹ on composition and structure of the staff.
5. Mr. Blondel, speaking on behalf of the Workers' group, stressed the importance of the document as a kind of X-ray of the ILO. He was only moderately pleased with regard to gender equality, as there had been only a 0.3 per cent increase in the number of women since last year, despite the progress made in the appointment of women to high-level posts. In general, the current year's figures for the recruitment of women were not as good as those from the previous year. The speaker expressed regret that the nationalities of 62 member States of the Organization were not represented among its employees. Without wishing to establish a relationship between payment or size of contributions and the number of nationalities represented, the Workers requested that that problem be taken into account in recruitment in the future.
6. The Workers also requested further details on the types of contracts offered by the ILO and a clearer presentation of the data provided in the document. The speaker did not wish to encroach on anything the staff representative might wish to say, but he expressed the concern of the Workers over the number of short-term and external collaboration contracts, and asked to be informed further regarding all possible types of contracts, as well as of the number of people taken on for the Conference – in language services, for example. With that extra knowledge, the Workers hoped to be able to extinguish current rumours accusing the Office of all kinds of discrimination. Mr. Blondel concluded by welcoming the organigram presentation of the management structure at 1 March 2005, which he had found especially useful.
7. Mr. Botha, speaking on behalf of the Employers' group, supported the comments of the Workers' group and requested information on the number of short-term contracts, external collaborators and consultants. He noted the increase in the number of adequately

¹ GB.292/PFA/16 and GB.292/PFA/16(Add.).

represented nationalities and asked whether the number of people transferring from short-term contracts was a contributory factor. National diversity was important to the Employers' group. It would, however, be useful to recruit people with employer or business backgrounds.

8. The representative of the Government of Brazil supported the issues raised by the Workers' group regarding gender representation and requested an improvement in terms of quality and clarity of the presentation of the data provided on the agenda item, particularly in what refers to information on under-represented, over-represented and well-represented nationalities within the Office.
9. The representative of the Government of Japan asked the Office to confirm the impact of the Young Professionals Career Entrance Programme (YPCEP) on the data, especially with regard to Charts VI and VII, and to identify ways to recruit more young professionals. He also requested whether there would be changes to the current standard cost system, and was concerned with the lack of information on under-represented countries. He hoped that for the November 2005 session of the Governing Body more information would be provided to allow for a comparison of the quota of staff against the actual number.
10. The representative of the Government of Canada supported the comments of previous speakers, and thanked the Office for the document as it was a basic reference document and checklist for any discussion on personnel questions. He asked the Office to provide a list showing staff by grade and nationality. He welcomed the organigram showing the senior management structure, and requested further details on it.
11. The representative of the Government of the Russian Federation requested a staff list recording nationality and grade, as that was provided by many other United Nations organizations. He also requested that the Office provide information on the actual representation of each country against its quota.
12. The representative of the Government of Italy requested more detailed information on national diversity and an explanation of how each country's quota was calculated.
13. Mr. Ng, Director of the Human Resources Development Department, stated that the Office would examine ways to improve both the quality and the presentation of the data provided in the document. He noted that the variety of contracts used by the Office provided some flexibility, allowing the completion of activities without requiring additional permanent contracts. Mr. Ng stated that achieving national diversity was a dynamic process and that levels of national representation could alter significantly with relatively few staff changes. He stressed that improved succession-planning efforts would be made to define the types of competencies needed and to address the issue of national diversity.
14. Mr. Blondel, speaking on behalf of the Workers' group, requested that the word "representation" not be used with regard to ILO employees, as they were not representatives or ambassadors of their countries. He stressed that the number of Members with no nationals on the staff of the ILO had risen since 1980, and that the Human Resources Development Department must keep that problem in mind, especially during recruitment.
15. Mr. Botha, speaking on behalf of the Employers' group, sought clarification on his earlier question about the number of short-term staff that had been employed in recent years.
16. Mr. Ng, Director of the Human Resources Development Department, provided figures for contracts issued respectively in 2003 and 2004. These were 2,640 and 2,325 for external collaboration (EXCOL) contracts, 2,405 and 1,847 for daily contracts, 362 and 327 for

special short-term (SST) contracts and 288 and 307 for short-term (ST) contracts. As of 1 March 2005, there were 131 SST and ST staff under contract. Staff lists, as requested by a number of members, would be provided by November 2005.

V. ILO Human Resources Strategy (Seventeenth item on the agenda)

- 17.** The Chairperson introduced the paper² on the ILO Human Resources Strategy, noting that the point for decision was contained in paragraph 49.
- 18.** Mr. Botha, speaking on behalf of the Employers' group, thanked the Office for the document. He was disappointed that it included only an update of activities rather than providing a new Human Resources (HR) Strategy. His group had welcomed the new approach to human resources as presented in the original Strategy in 1999. Subsequently, they were informed that it was too costly. An external audit of the Strategy was carried out in 2002-03, which recommended a cost-benefit exercise covering all present and future areas of the Strategy to ensure an efficient prioritization of resources. That, however, had never been done. Since 1999, there had been frequent activity reports on updates to the HR Strategy and the Employers' group had consistently asked how much the Strategy would cost. First, by providing only an update, the implementation of a new Strategy was delayed. Second, it was confusing to members of the Governing Body because the update provided a level of detail that many found difficult to retain. Third, it took the Governing Body members' attention away from a proper policy debate.
- 19.** On job classification and grading, Mr. Botha noted that the work of the Independent Review group (IRG), which had resulted in 58 posts out of 81 being upgraded, appeared to counteract the efforts of the Office to examine upcoming retirements of staff to rebalance the grading structure. The Office should develop a grading system to meet the needs of the ILO, while being objective and acceptable to the ILO's employees and its Governing Body. Mr. Botha asked the Office to identify costs and benefits when it reviewed the collective agreement on grading with the Staff Union. Concerning the revised policy on staff mobility, Mr. Botha asked if a strategy was in place for its achievement and if there was a written policy available to all staff. He also asked if the Office envisaged that adherence to the policy would be reflected in contracts.
- 20.** On prospection, recruitment and selection of staff, the Employers' group considered that, while there had been improvement in the period taken to fill vacancies, 149 days was still too long. Mr. Botha regretted the demise of the YPCEP. He was, however, pleased to learn that most of the young professionals had been placed, but asked the Office to confirm the cost of the programme. He also noted the policy on the issue of employment of persons with disabilities and asked if there was a strategy for implementation, including the implications of such a policy and how much it would cost.
- 21.** On staff development, Mr. Botha noted that there had been a pilot study on personal development plans (PDPs) but that few PDPs, if any, had actually been implemented. He added that a consultant had evaluated the PDP process and recommended that there should be a link between the PDP process and performance management. That appeared to contradict the external audit recommendation that PDPs should remain distinct from performance appraisals. Mr. Botha asked how many performance appraisals the Office had completed. On the issue of domestic partners, Mr. Botha asked when the policy would be

² GB.292/PFA/17.

finalized. He asked if there was a written policy and if staff were aware of it. He noted the paragraphs on IRIS implementation.

22. On the section addressing implementation of the external audit recommendations, the speaker expressed his disappointment at some of the responses given. One of the audit recommendations was for the Office to streamline existing administrative procedures and increase the number of professionally trained staff dealing with strategic HR matters. Mr. Botha supported that recommendation and stressed that the budget proposals submitted for the Human Resources Development Department should not be cut.
23. The Employers' group supported the proposal to revise the HR Strategy. Mr. Botha indicated that some elements of the Strategy remained underdeveloped. There also needed to be more details on the links between various components of the Strategy. Very clear time frames and cost estimates would be necessary. It was important to ensure the quality of staff by hiring the most competent people and to strike a balance between political and professional recruitments. On the issue of collective bargaining, there was mention that that had, in some cases, restricted the effectiveness of HR operations. Mr. Botha stated that his group would like more information on those restrictions. The Employers' group would follow up minor details directly with Mr. Ng on other issues of concern. Overall, the group supported the points for decision, but stressed that the total cost of the revised Strategy needed to be identified.
24. Mr. Blondel, speaking on behalf of the Workers' group, stressed the importance of the document, which concerned the use of 70 per cent of the budget of the ILO. The aim of the Workers was to make their position known, not to pre-empt the staff representative, the Director-General or the Human Resources Development Department. While the Workers appreciated the dynamic approach of the document, they shared the concerns expressed by Mr. Botha. With regard to filling vacant posts (paragraph 7), the Workers believed that a systematic levelling-down must be avoided and the policy of recruiting younger professional staff and redefining positions proposed in paragraph 15 should be encouraged. The time taken to fill vacancies, which had fallen from 379 days to 149, was still too long, and the proper running of the institution must be guaranteed by an effort to anticipate and plan ahead.
25. In respect of the employment of persons with disabilities (paragraph 16), the Workers stated that the Office should implement the code of practice published by it in 2001, regardless of costs; this was an imperative that could not be ignored. The situation remained ambiguous with regard to domestic partners; the ILO should lead the way in that area. The same applied to paternity leave, given that the International Civil Service Commission had given the go-ahead. As concerned the IRIS system, the Workers' group hoped that the ILO central budgetary/accounting system would not be suspended for longer than the projected period.
26. In respect of the integrated planning framework proposed in paragraph 37, the Workers considered that the profile of all ILO officials – not just those in ACTRAV and ACT/EMP – should be more varied. It was, in effect, important to have among the Office staff people who had had a university education, but it was also important to have people who had had work experience in a ministry of labour, an employers' or workers' organization, or in business. Statistical information on the subject would be welcomed. It should be ensured that the sponsorship of candidates by donor countries did not result in the freedom of the Office being restricted, and the mobility obligation should apply to all officials. As regards paragraph 43, the Workers requested further information on the new ILO policies, directions and strategies for 2006-09. Finally, the Workers considered that the ILO, as a focal point for other organizations, should have a real occupational health service, which

could, among other things, have a favourable influence on absenteeism. The Workers supported the point for decision.

- 27.** The representative of the Government of Japan, speaking on behalf of the Asia-Pacific group (ASPAG), welcomed the proposal to revise the HR Strategy. Some of the key priorities of his group, as identified at the Committee's November 2004 session, had been reflected in the proposal. The Office had received a strong mandate to develop a new HR Strategy, and he urged the Office to finalize and implement that Strategy quickly. He expressed pleasure at the progress made in the areas of collective bargaining, recruitment times, staff development and gender, and he welcomed the attention being given to employment of persons with disabilities. On the latter point, he requested more information on the policy, supported by disaggregated data. He also requested the establishment of targets and time frames for improving geographical distribution. Some ASPAG countries were under-represented or not represented at all and there should be better representation from ASPAG member States among senior management. ASPAG believed that further efforts should be made on succession planning, including recruiting young people in the light of expected retirements as a means of tackling the grade average.
- 28.** A strong HR Strategy should focus on providing strategic advice and be aligned to the objectives of the Organization. ASPAG had previously requested that consideration be given to outsourcing routine personnel functions such as payroll and leave administration, and asked whether anything had been done on that. The speaker also requested further clarification as to why the full impact of the benefits of IRIS would only be felt once the system was rolled out to the field. He felt that the Office should let itself be guided by the Governing Body in further development of the HR Strategy. His group endorsed the point for decision, and requested that the new Strategy be submitted to members two months prior to the November 2005 session.
- 29.** The representative of the Government of the United Kingdom, speaking on behalf of the IMEC group, thanked the Office for the latest summary of developments but was disappointed at the slow progress. She invited the Director-General to exercise strong leadership to drive forward reform across the Office. She insisted that the new HR Strategy be presented to the Committee at its November 2005 session, hopefully endorsed by the External Auditor, and that no further delay be contemplated. Implementation dates should be included in the presentation. She wished to reiterate some of IMEC's priority areas of concern: short, simple and transparent recruitment and promotion procedures based on merit; effective performance management linked to career development, managing underperformance and, where necessary, termination of employment; in line with the guidance of the International Civil Service Commission (ICSC), to move forward on a policy on the use and number of contract types, including maintaining a balance between fixed-term and permanent appointments, reserving permanent contracts for core staff only; mobility policy; gender and geographical diversity; improved consultation with and approval by the Governing Body of the senior management structure; continued reduction of the grading average; and improved succession planning. She requested that the Joint Inspection Unit (JIU) carry out an independent comparison of the grading structure of the ILO with that of other United Nations organizations. Specific targets should be set to tackle over-grading and bring the percentage of staff of P5 and above more into line with the United Nations organizations' average. This would provide a saving of several million dollars during a biennium.
- 30.** As regards training and capacity building, the group supported the Office's view, based on the external audit recommendation, that a stronger training focus, within the available budget, was needed. She repeated the request made by IMEC at the November 2004 session for further clarification of the roles, responsibilities and reporting lines for the two new Executive Directors. IMEC welcomed the organigram on the senior management

structure and the additional information made available by the Office. IMEC believed it incumbent on the governing bodies of all United Nations organizations to strive for good management practice. IMEC had previously drawn attention to the 1997 United Nations General Assembly resolution No. 51/241 concerning term limits for executive heads. Since then, the majority of UN agencies have adopted term limits. The United Nations Secretary-General had appointed heads of funds and programmes, in general, for two terms. Although differing views existed within the Governing Body on that issue, IMEC believed that most member States acknowledged term limits to be an example of good management practice. IMEC stressed its continuing confidence in the current Director-General of the ILO.

- 31.** IMEC expected, in the future, to see much more detailed responses to the external audit recommendations, including clear indications of progress made, and timelines for ongoing work. The group supported the external audit recommendation that cost-benefit exercises should be undertaken for all areas of the HR Strategy to ensure efficient prioritization of resources. On gender equity, the group encouraged greater efforts to reach the target of 33 per cent women staff at the P5 and above grades by the end of 2005. In addition, explanation was requested as to why separate targets had been set in the 2006-07 programme and budget proposals for grades P and D. As regards staff mobility, IMEC wished to know when the framework endorsed by the Senior Management Team would be presented to the Governing Body.
- 32.** The representative of the Government of South Africa, speaking on behalf of the Africa group, thanked the Office for the document and recalled the pertinent issues for his group: representation, gender equality and a human resources policy promoting and enhancing productivity and workplace democracy, particularly given that the ILO, as the custodian of workers' rights, should lead by example. The Africa group noted the contents of table I and was of the view that the rejuvenation of posts should not be to the detriment of promoting suitable internal candidates as well as improving African representation within the ILO. While noting the reasons for appointing staff from over-represented and adequately represented countries, the group was not convinced that adequate efforts were being made to respect geographical distribution. It was not clear to the group whether that issue was a performance indicator for managers. The group reiterated its call to use ministries of labour as direct entry points for recruitment. The group also believed that gender equality should be used as a performance indicator for managers, and more efforts should be made to target women for senior positions. In November 2004, the group had requested the Office to provide statistics on young professionals, including country of origin, and hoped that that information would be provided at the current session. The Africa group endorsed the proposal to submit a revised HR Strategy at the November 2005 session, including targets and indicators, as long as that Strategy guaranteed the overall well-being of ILO staff, enhanced productivity and contributed to the achievement of the Decent Work Agenda at the country level.
- 33.** The representative of the Government of Norway supported the IMEC statement and indicated that his Government's highest priority was gender balance. Although progress had been made, it must be accelerated, bearing in mind that the number of women at the P2 to P4 levels was also important. He hoped that the Director-General would respond to the message from the Governing Body on that issue. Gender equity should be one of the central elements of the new HR Strategy and should also serve in the performance measurement of line managers.
- 34.** The representative of the Government of New Zealand supported both the IMEC and the ASPAG statements. She stated that the high number of forthcoming retirements provided the Office with a good opportunity to restructure, with particular attention to young professionals. A comprehensive succession strategy should be developed. Her Government

supported all initiatives concerning diversity and hoped to see more attention being given to geographic distribution and gender equity at all levels, with the best person selected for the job. Those should be the key principles driving the HR Strategy and personnel policies.

35. The representative of the Government of Canada expressed support for the IMEC statement and noted that, since 68 per cent of the ILO budget was devoted to staff costs, it was important that all positions be linked to the Organization's goals and objectives. He expressed appreciation of the timetables indicated in the document under discussion, which would require further refinement before the November 2005 session. He felt that the summary of action taken to address the external audit recommendations should be retained in future submissions. He also favoured the disclosure in an annex to that document of the various policies that had been developed, including performance management and staff mobility, in the interests of transparency for all.
36. The representative of the Government of the Russian Federation indicated that a cost-benefit analysis of the HR Strategy had been requested. Of the US\$5 million spent over the past two years, no benefit had been seen to date. He did not think that the strategy was over-ambitious, but felt that priorities needed to be defined, such as rebalancing the grading structure, training for line managers, and IRIS. Other issues should be given a lower priority. His Government felt that the requested increase was too large, but was ready to review its decision upon presentation of convincing figures.
37. The representative of the Government of Malawi supported the Africa group's statement and considered that ministries of labour should continue to serve as entry points for recruitment, including that of project staff, who were, at times, selected without consultation with constituents at the national level. He furthermore reiterated that ILO vacancy announcements were received rather late or, at times, not at all. He asked the Office to assist in ensuring that documentation concerning vacancies was provided in a timely manner to give prospective candidates time to apply.
38. The representative of the Government of Japan expressed support for the IMEC and the ASPAG statements and appreciation for the work of the Director of the Human Resources Development Department and his staff. He supported the Office's views that impending retirements would provide opportunities for the Office to have a sounder, more efficient and effective organization and noted that the commitment of the Director-General and all senior staff was required for the Office to realize these objectives.
39. The representative of the Government of India expressed support for the ASPAG statement and requested that consideration be given to improving the representation of regions, the engagement of young professionals at headquarters and in the field, and the establishment of a merit-based and transparent recruitment system favouring candidates from developing countries. He was also concerned with gender equity, staff mobility and performance appraisal.
40. The representative of the Government of the Republic of Korea supported the ASPAG statement. He sought examples of how the grade average would be reduced and what incentive line managers had to achieve that. Addressing under-representation of countries was a priority. Clear targets were needed with a time frame in order to improve national diversity.
41. With respect to the determination of national quotas, Mr. Ng, Director of the Human Resources Development Department, explained that the calculation of desirable numbers of staff at the Professional and higher levels was modified in the early 1990s to take into account the increase in the number of member States. Currently, 27 countries were over-represented. Increased prospection efforts were required in non-represented and under-

represented countries. He considered that the Office had made reasonable progress with respect to gender and it compared favourably with many other United Nations organizations. The YPCEP had also contributed to higher levels of women and to improved national diversity. Mr. Ng acknowledged that work still had to be done to revise the HR Strategy to ensure its implementation in a cost-effective manner. The Human Resources Development Department would continue to work with line managers and the Staff Union Committee. Mr. Ng emphasized that the Strategy aimed to enhance staff capacity to deliver ILO programmes by improving performance and management responsibility.

42. On grading, Mr. Ng stated that 61 staff had been promoted to the P5 level through the baseline exercise and that readjustment would take time. Nevertheless, the Department was working with sectors on appropriate grade structures at departmental levels in the context of developing HR management plans. The Office could not lower the grades of all posts vacated through retirements as some were correctly classified at higher levels. He assured the Committee that the grading review exercise would be carried out in consultation with the Staff Union. He acknowledged that performance appraisal mechanisms required improvement and that a strategy for rewards and recognition of performance was needed. The Office had been implementing a transparent process for recruitment as stipulated in the collective agreement on selection and recruitment. The policy on disability was being finalized and the policy on domestic partnerships, which was within the ICSC framework, was also being discussed. Finally, Mr. Ng confirmed that priority setting had already taken place and that the Human Resources Development Department had worked closely with the External Auditor to identify the costs of implementing the HR Strategy, estimated at US\$3.2 million as a one-off cost and US\$5.2 million as annual ongoing costs.
43. The Deputy Legal Adviser (Mr. Raimondi) provided details regarding domestic partners. At present, there was no position on that matter within the United Nations common system. The Secretary-General had published a bulletin, applicable only to the Secretariat of the United Nations, allowing recognition of spouses and partners who were legally recognized under the legislation of the employee's country of nationality; such recognition did not extend to the Joint Staff Pension Fund. The matter was being examined at the common system level with a view to applying the Secretary-General's approach to all the specialized agencies, including with regard to pensions. The ILO Staff Regulations only recognized as spouses, for the purposes of the Staff Regulations and the Staff Health Insurance Fund (SHIF), those persons who were considered as such under the national law of the employee's country. Legal partnerships outside the institution of marriage could not, therefore, be recognized, unless a decision were taken at the common system level or the Governing Body decided to amend the Staff Regulations itself.
44. ***The Committee recommends that the Governing Body:***
- (a) ***provide guidance to the Office in relation to the proposals identified for revising the Human Resources Strategy;***
 - (b) ***request that, in November 2005, the Office provide for the Committee's approval a revised Human Resources Strategy, including targets and indicators in relation to each of its core components; and***
 - (c) ***request that a report on implementation of the Strategy be provided in November 2006 and annually thereafter.***

VI. Decisions of the United Nations General Assembly on the report of the International Civil Service Commission (Eighteenth item on the agenda)

45. The Chairperson introduced the paper³ on the decisions of the United Nations General Assembly on the report of the International Civil Service Commission, noting that the point for decision was contained in paragraph 21.
46. Mr. Blondel, speaking on behalf of the Workers' group, supported the point for decision. He also asked whether the Human Resources Development Department was in a position to give a figure for the number of paternity leave applications granted for Africa and Asia.
47. The representative of the Employers' group, Mr. Botha, supported the point for decision and indicated that he would discuss with Mr. Ng the issue of senior management services.
48. Mr. Ng provided data on paternity leave by region.
49. *The Committee recommends that the Governing Body:*
- (a) *endorse the decisions of the United Nations General Assembly and authorize the Director-General to give effect in the ILO to these decisions (relating to new levels of education grant; paternity leave entitlements; and a new salary scale for officials in the Professional category and above), through amendments to the Staff Regulations, as necessary; and*
 - (b) *authorize the Director-General to determine the administrative details of implementing the revised paternity leave provisions in the ILO.*

VII. Pensions questions (Nineteenth item on the agenda)

(a) Decisions of the United Nations General Assembly on the report of the Board of the United Nations Joint Staff Pension Fund

50. The Chairperson introduced the paper⁴ on decisions of the United Nations General Assembly on the report of the Board of the United Nations Joint Staff Pension Fund.
51. The Committee noted the Office paper that had been submitted for information. There were no comments.

³ GB.292/PFA/18.

⁴ GB.292/PFA/19/1.

(b) Report of the Board of the Special Payments Fund

52. The Chairperson introduced the paper⁵ on the report of the Board of the Special Payments Fund, noting that it contained points for decision in paragraphs 4 and 5.
53. The Employer spokesperson inquired about the financial implications of the proposed amendment to the terms of reference of the Fund.
54. A representative of the Director-General explained that only a handful of cases were expected and that the additional expenditures were expected to fall within the normal budgetary allocation. He indicated that, as expenditures would be reported to the Governing Body on an annual basis, it would have the opportunity to revoke the amendment in the event of any unforeseen expenditures.
55. Mr. Blondel, speaking on behalf of the Workers' group, congratulated the individuals to be appointed and supported the points for decision.
56. *The Committee recommends that the Governing Body appoint Ms. G. Stoikov and Mr. T. Montant as members of the Board of Trustees of the Special Payments Fund.*
57. *The Committee recommends that the Governing Body:*
- (a) amend the terms of reference of the Special Payments Fund, as from 1 April 2005, so as to provide for payments on an ex gratia basis, without entailing any contractual entitlement, to former ILO officials (or their surviving spouses) irrespective of age, provided that they are United Nations Joint Staff Pension Fund beneficiaries, that they have had at least ten years of United Nations system employment, and that the last five years of employment were with the ILO;*
 - (b) authorize the Board of Trustees of the Special Payments Fund to make such payments to the former ILO officials and surviving spouses mentioned in subparagraph (a) above; and*
 - (c) consider this amendment to be subject to annual review, to ensure that it will not entail any large unforeseen expenditures.*

VIII. Matters relating to the Administrative Tribunal of the ILO
(Twentieth item on the agenda)

(a) Composition of the Tribunal

58. The Committee had before it a paper⁶ on matters relating to the Administrative Tribunal of the ILO. The Chairperson informed the Committee that this was a paper for information

⁵ GB.292/PFA/19/2.

and apologized on behalf of the Office for the late arrival of the document on the composition on the Tribunal. It was agreed that examination of the paper on the composition of the Tribunal would be deferred until Wednesday, 23 March 2005.

(b) Statute of the Tribunal

59. The Committee had before it a document⁷ concerning proposals for amendments to the Statute of the ILO Administrative Tribunal reflecting the results of further discussions pursued since its last review of the matter.
60. Mr. Blondel, speaking on behalf of the Workers' group, observed that an agreement appeared to have been reached among the organizations that had accepted the jurisdiction of the Tribunal, but this opportunity also posed problems. He inquired whether the proposals were intended to give the possibility to representative staff associations to obtain redress before the Tribunal in place of the interested individuals. Nonetheless, the Tribunal may choose selectively whether to receive requests by staff associations to submit observations. The Workers were concerned whether the staff of the ILO and of the other organizations would obtain adequate redress where justified. Since it seemed that the proposals corresponded to the spirit of what the Staff Union had requested, he would have no objection to supporting paragraph 12. However, if others needed more time to further consider the proposals, the Workers would be willing to accept such a request.
61. Mr. Botha, speaking on behalf of the Employers' group, stated that the document raised complex issues on which a number of concerns remained. In particular, the Employers had not had the opportunity to fully examine the potential effects that the proposed amendments would have on collective bargaining within the ILO. In addition, the Employers believed that, on such an important matter, all the organizations that had accepted the jurisdiction of the Tribunal should have expressed their views. He proposed that the matter for decision be postponed and reviewed at the 294th Session of the Governing Body.
62. The Legal Adviser noted that a decision for deferral would serve to postpone a review of the matter by the International Labour Conference to 2006 at the earliest.
63. Noting the effect on timing, the Committee deferred the matter for decision to the 294th Session of the Governing Body.

(c) Recognition of the Tribunal's jurisdiction by the Agency for International Trade Information and Cooperation

64. The Committee had before it a document⁸ on the recognition of the Tribunal's jurisdiction by the Agency for International Trade Information and Cooperation (AITIC).
65. Mr. Blondel, speaking on behalf of the Workers' group, approved the point for decision and expressed satisfaction that 46 international organizations had conferred jurisdiction on

⁶ GB.292/PFA/20(Inf.).

⁷ GB.292/PFA/20/2.

⁸ GB.292/PFA/20/3.

the Administrative Tribunal of the ILO. However, he regretted that the Tribunal was so often called upon to deal with cases relating to the ILO and, furthermore, that the ILO so frequently lost such cases, which was inconsistent with its social image.

66. *The Committee recommends that the Governing Body approve the recognition of the Tribunal's jurisdiction by the Agency for International Trade Information and Cooperation (AITIC), with effect from the date of such approval.*

IX. Other personnel questions (Twenty-first item on the agenda)

67. The Committee noted that there was no business under this agenda item.

Geneva, 21 March 2005.

Points for decision: Paragraph 44;
Paragraph 49;
Paragraph 56;
Paragraph 57;
Paragraph 66.

Appendix

Statement by the representative of the Staff Union

It may be the changing of the seasons, or it may be nothing more than the fact that this Administration has to be able to point to some results when it holds meetings such as this one, where the staff representative has the honour to speak to you and to be sure of being heard.

Whatever the case, the Staff Union is gratified to note that dormant procedures are revived prior to Governing Body meetings.

In the run-up to the March 2005 session, then, we have been able to reach satisfactory conclusions on certain issues where it seemed as though stagnation had set in, such as the identification of good practices in reorganization, the employment of persons with disabilities and the use of interns. After a lengthy silence, discussion has begun again for a mobility policy that must exclude neither Turin nor locally recruited staff. There are now serious plans to implement methods of joint examination of the systemic difficulties of which individual cases are frequently symptoms. The Administration has sent its initial written proposals on the review of the agreement on recruitment and selection to the Union, and we must hope, after all this prevarication, that dialogue will finally be able to begin on the substance of the matter. The rails on which the engine of training is to run – I speak of personal development plans and joint training councils – have been recognized and have attracted interest, and the engine of training itself is now practically up and running on them. There have even been consultations with staff representatives on the proposed Human Resources Strategy: brief and belated they may have been, but they were also meaningful and constructive.

We are in a climate which is, in relative terms, marked by social dialogue, and we hope to see it develop sustainably. In this climate, I wish to focus my speech on a number of themes that all represent priorities in your work and, incidentally, feature in the Human Resources Strategy before you.

I will be addressing the issues of *restructuring* arising both from the programme and budget proposals and from IRIS, *recruitment* procedures, the *processing of grievances* at work, *gender equity issues*, the position of our colleagues at *Abidjan* and the situation of the *Staff Health Insurance Fund*.

All of this is set against the background of the common system and the attempts of the International Civil Service Commission to interfere in the day-to-day running of international organizations. Last November, you heard the concerns of the staff regarding this interference, and our Union continues its constant action on the matter side by side with the representatives of staff elsewhere in the United Nations system and, I am pleased to be able to tell you, in close consultation with representatives of the Director-General of the ILO.

Restructuring

I shall not go into detail concerning the various components that make up the proposed Programme and Budget for 2006-07, but it will not surprise you to discover that the first reaction of the staff in general on learning of the proposals was to wonder what the consequences might be for employment – not just in terms of the quantity of work, but also in terms of the quality of jobs that the ILO would be able to offer within such a framework.

And there is indeed cause for concern. The Union has conducted a partial statistical study of the year 2004, which confirms that, for its part, the Human Resources Development Department had neither the resources nor the necessary approach to detect abuses effectively, even though the raw data patently showed multiple instances of individual situations where the combination of subcontracting or piece-work, short-term or very short-term contracts and unpaid or very poorly paid internships had, time and time again, allowed jobs to be done, in effect, outside the normal rules governing labour relations. It is not that we lack regulations – simply that the regulations we have are ignored, bypassed and twisted.

When a meeting of the Union was held concerning the attitude of the Office to certain glaring abuses in the field of employment – interns working unpaid, the circumvention of procedures for external collaboration contracts, arbitrary interruption of contracts to avoid paying social benefits, long-term employment on a temporary basis despite the existence of vacancies, disregard of established procedures when people were being hired and more – it proved to attract a lot of attention and was very well attended.

Since then, the management has informed you of its intention to begin a review of a 2002 circular on “inappropriate use of employment contracts” because, over time, the provisions of that circular have proved inadequate in the face of what might be called a “new precariousness”. We were able to hold discussions on the proposed Human Resources Strategy, during which we succeeded in clarifying certain issues with ILO management – particularly with regard to the pre-eminence of organizational structures and posts in any classification procedure.

Nevertheless, uncertainties remain regarding the final level of resources available, the significant burden of a number of tasks that are apparently deemed essential but are not to be carried out internally, the lack of a centralized joint monitoring mechanism to avoid deviation from procedure in recruitment, the increasing temptation – given budgetary restrictions and the options available to managers – to juggle between different types of contracts, the total lack of any consultation in certain reorganization work which is vitally relevant to the functioning of the Office and its officials and the lack of follow-up on the results of the massive consultation process conducted by the Human Resources Development Department throughout the whole structure of the Office to determine a new mobility policy. All of this leads many here at the ILO to take – shall we say – a somewhat sceptical view of their own professional futures.

But it is possible to imagine other approaches – participatory approaches that would motivate staff and be effective for the work of the whole ILO – and the Union is making sure to use its power to make proposals to move matters forward. And sometimes things of this type can move forward with hardly any help at all.

In your attentive reading of the proposals for the programme and budget, you will doubtless have noticed, in the appendices to the proposals, that the reduction in salary costs was to be derived particularly from very substantial reorganization and would affect practically every section at ILO headquarters. In this regard, we have recent examples that we can give of instances where widely differing approaches have been followed. This is especially instructive for a union that seeks to listen to its members.

The first example comes from the International Labour Standards Department, where a new manager carried out a restructuring process through detailed consultation and by drawing up all the details of the new form of organization with the participation of the staff. The process took several extremely full weeks, but the whole department has now not merely accepted the new organizational form but seems to have assimilated it completely.

The other example is that of the Employment Sector, where it was decided to reorganize the department structure without consulting the staff. The fruits of this have been frustration – including for those whose personal development plans have suddenly become meaningless thanks to one circular. Of course, it seems quicker, but now everything still remains to be done to bring the new system into operation, define individuals’ roles and transition between the two forms of organization – and all with the handicap of having first to justify the organizational form that has been chosen.

Subparagraph 29(i) of document GB.292/PFA/17 states that “the flow of information to and communication between management, the Staff Union and staff needs to be improved, particularly in situations involving restructuring of work units, reorganization of work and policy or other initiatives which have significant change implications”.

It is in this spirit that, in the last few months, the two parties of the Joint Negotiating Committee have drawn up Guidelines for Management of Change and Processes of Restructuring. Several management figures have already committed to complying with these guidelines even before there has been any official communication – and I would like to specify that, besides the example of the International Labour Standards Department, this applies also to the Official Relations Branch, whose new structure is currently being formulated, and whose branch director has committed to involving staff representatives since the very start of the restructuring process.

As time passes, it is happily becoming more and more common to see consultation with the workers as a matter of course – and the Committee flatters itself that its capacity to intervene, its representativeness and the quality of its proposals have not been entirely irrelevant in bringing this about.

The IRIS project

The various wrong turns and ups and downs of the IRIS project also testify to a concern, not only to inform, but also to listen to representatives of the staff. The Union is now represented on the Stakeholders' Committee, where it continues to be on guard for any problems in the implementation of the project. The Union representative in that forum has spoken on issues of training, transition from one system to the other, the consequences for the regions and the overall structure of the project in general, among other things. At the planned meeting between departmental delegates and the Executive Director responsible for the project at the current stage, our colleagues will give an account of the concerns and expectations of the staff.

The management of the Union is regularly in direct contact with the general administrator of the project, and the improved understanding of certain difficulties expressed by the staff is beginning to bear fruit, particularly in the areas of languages and medium-term training strategy, but also by the fact that the constraints on the project are no longer systematically used to justify technical stagnation, administrative inertia or insidious deterioration of whole swathes of working conditions.

This is a constructive approach, yet it cannot satisfy our deepest concerns. For these concerns, as you know, have to do with the one-off and recurring costs of the project, the sidelining of particular services that are central to the Office during the initial definition of lines and procedures and the practice of subcontracting, in particular subcontracting IT services. The three of these together could without a doubt contribute to turning IRIS from a tool to a burden, whose demands would eventually be felt as just so many severe restrictions on the ILO's freedom to manoeuvre.

A sort of ICSC for IT, but without any level of legitimacy derived from the common system at all.

We know that your Committee is especially attentive to these matters and is aware of the risks. Be assured that the staff is also alert and vigilant.

Settlement of disputes

In just the same way, we remain alert and vigilant with regard to the prevention and settlement of disputes.

The Human Resources Strategy before you reports progress in the implementation of new procedures for which negotiations were completed a year ago – this progress is real.

More efficient mechanisms that place more emphasis on prevention are being put in place as planned and are being put to use throughout the Organization, rather than being the preserve of a Geneva or international elite. Mediators have been appointed both at headquarters and in the regions and training for them is to be held in April. The training for investigators into sexual harassment has already taken place. Three chairpersons have been appointed to the JAAB – the Joint Appeals Advisory Board – while a brochure publicizing the new mechanisms is nearly complete. The Union has engaged the services of a judicial advisor, who continues successfully to resolve the problems of ILO workers in difficulties. He is a lawyer whose reputation goes far beyond the doors of this Organization – and not, we hope, because of the delays with which we continue to be faced in regularizing his administrative status.

Meanwhile, the management continues to lose cases at the Tribunal that could certainly have been avoided had they been discussed calmly with the managers responsible, who are too often ignorant of legal regulations. Here we see, without any doubt, the legacy of a system that favours conflict over cooperation. Yet, happily, this system too underwent reform just over a year ago.

I am still astonished that your Committee is not informed of the rulings of the ILO Administrative Tribunal in cases relating to the Office. One of the aims set out by the Human Resources Development Department for the next biennium is a reduction of 30 per cent in the number of disputes taken before internal bodies, and we hope that this objective will not be reached

by ceasing to allow cases to come before those bodies in favour of submitting them directly to the Tribunal – which would effectively be a policy of hand-washing à la Pontius Pilate – nor through the negative effect of other measures that are parts of the same Human Resources Strategy, beginning from the recruitment and selection procedures.

Recruitment and selection

I have already mentioned that negotiations – which have not always been plain sailing – were under way in this area. The two parties are now agreed that the greatest stumbling block is the existence or otherwise of a central supervision or monitoring body. It should be noted that the apparently arbitrary nature of some appointments or promotions and the corresponding lack of a careers policy or effective follow-up on the application of broad management principles feature among the most common complaints submitted to the Union.

For over five years now, directors have had broad freedom in the area of recruitment, and this has had severely negative effects, including in the area of mobility: how are people to apply for jobs if vacancies are not published? And how are they to feel at ease about leaving Geneva when it is in Geneva that careers are made, in close contact to the decision-makers themselves?

If you read it rightly, document GB.292/PFA/16, on the composition and structure of the staff, is particularly interesting. The number of recruitments is irrelevant here: in 2004, 31 civil servants were recruited to non-linguist positions, 19 of whom were men and 12 women, and only ten of whom came from under-represented countries, and there is nothing amazing about the fact that there has been no real progress in pursuing the grand objectives of equity between nationalities and genders.

Attempts to justify this mediocre performance by appealing to the regularization of precarious positions or promotion from the national to the international framework cannot be taken seriously. Promotions from the category of General Service staff to the Professional category are so rare as to be negligible, while the regularization of precarious positions ended in 2003.

The true problem, and the challenge of the current negotiations, is a lack of monitoring.

Gender equality

This challenge directly affects equality between the genders. I do not wish to dwell unnecessarily on the comments relating to the table provided in GB.292/PFA/17, which claim an “overall balance in representation of men and women” even as the figures are showing a reduction in the number of women represented in all grades from P.2 to D.2.

We do not believe that an equity policy can claim success based on a number of exceptional cases of appointments at very high grades, even where those appointments are perfectly justified – which, at the ILO, they certainly are.

We are convinced – and this has been confirmed by the Staff Union Equity Audit, conducted by the Bureau for Gender Issues at our request – that gender policy has to cover all aspects of the conditions of employment and labour. This includes issues relating to job security, career planning, mobility, reconciling work and family life, access to training and early identification of talent within the Office – including the field structure and local staff.

Moreover, in order not to be trying to turn this analysis into action on our own, we have requested that the matter be taken up as a whole by the Joint Negotiating Committee, and are working in both the common system and the ILO with the 55 per cent of women and 45 per cent of men who are Union members.

The situation at Abidjan

We have 55 Staff Union members at Abidjan, 32 of whom are women. While peace has not yet prevailed in Côte d’Ivoire, there is growing concern regarding the fate of a number of our locally recruited colleagues.

For more than three months, a number of them have, for security reasons, had to stay away from the place where they were recruited, and are quite legitimately worried as to whether they will continue to have an employment relationship with the ILO. The current contracts of around

30 members of local staff, who ensure the running of the Regional Office, fall due on 31 March, and they have not been contacted regarding the renewal of their appointments. Meanwhile, the multidisciplinary technical team and a large proportion of the support services have moved out of the country, seemingly for the foreseeable future.

Needless to say, the Union Committee and its Vice-Chairperson for the Regions (the incumbent this year hailing from Africa) are following these matters intently, in close collaboration with representatives of the management and in direct contact with our colleagues on the ground. It goes without saying that we will not fail in our duty of vigilance and solidarity, and that this includes meticulous respect for procedures and for the rights of all our colleagues at the Regional and Sub-Regional Offices at Abidjan.

The Staff Health Insurance Fund

In the same way, we will continue to pay special attention to observing the quality of the services provided by the Staff Health Insurance Fund.

The text of the programme and budget refers indirectly to the need for essential measures to be taken immediately to protect the joint ILO/ITU Staff Health Insurance Fund.

It ought to be remembered that this pillar of social protection for civil servants has been in existence since 1922, which makes it without a doubt one of the oldest health insurance funds in the world. The principles of solidarity, sharing risk mutually between officials and between current and retired employees, universal coverage, free choice, and bearing the costs according to each person's means – all these have proved their strength over the decades.

Our Fund is still extremely reasonable in terms of cost: the total contribution required – the worker's part and the employer's part together – has remained at 5.6 per cent for current employees and 8.4 per cent for pensioners for the last 15 years. However, inflating care costs have hit us especially hard, since the majority of the Fund's expenses are incurred in Geneva in the local currency, where the weak dollar exchange rate automatically results in an unfavourable situation because of the thresholds which are expressed in the reference currency.

The planned increase in contributions will represent a rise of 0.7 per cent on the salary or pension, with an equal contribution from the Office. However, even with this increase, the Fund will still be a very, very long way from the rates charged by Swiss health insurance funds – a necessary reference point, since 80 per cent of the expenses covered are incurred in the Geneva region – and will give indisputably better and much more supportive and reliable services.

The Management Committee is currently holding discussions on structural measures, in which Union representatives are fully involved. As stated in the document on programme and budget proposals, measures of this type must combine a revenue-based approach with a cost reduction strategy without impinging on the fundamentals of the Fund that is, as you know, so close to the hearts of all employees, both current and retired.

Debate on structural reform is now well under way and is going to have certain positive results that we have been awaiting for a long time, such as: real negotiation with care providers on charges (which we believe should involve not only the ILO and ITU, but also the whole United Nations family at Geneva); fairer distribution of the cost of social cover among all, according to their means; and better monitoring of the overprotection enjoyed by some and of the risk involved in late payment of some voluntary insurance subscriptions.

However, in any case, a reasonable adjustment of contributions is essential to ensure that the Fund does not remain in the red for too long, which would be fatally damaging to its already depleted resources. The beneficiaries of the Fund, a large number of whom met at the Union's request only a few days ago, have declared their willingness to accept such a move, and the Director-General seeks your consent for it to happen.

In the hope that you will respond positively to this double appeal to preserve such an essential aspect of the conditions of our employment and labour – a Staff Health Insurance Fund worthy of the International Labour Office – I thank you for your kind attention.