



EIGHTH ITEM ON THE AGENDA

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

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

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

II. Exceptions to the Staff Regulations
(Fourteenth item on the agenda)

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

III. Amendments to the Staff Regulations
(Fifteenth item on the agenda)

3. The Committee noted the information contained in the Office document.¹

IV. Human Resources Strategy: 2006-09
(Sixteenth item on the agenda)

4. The Committee had before it a paper² on the Human Resources Strategy for 2006-09. The Director of the Human Resources Development Department (HRD) thanked the Committee for the opportunity to introduce the paper. She stressed that the Strategy was aligned with the Strategic Policy Framework for 2006-09, and was pivotal in the full application of results-based management. It was based on the premise that ILO staff are its most valuable resource in making decent work a global goal. She indicated that the Office shared the impatience expressed previously by the Committee with the pace of transformation, and noted that the HR Strategy was one indication of its commitment to accelerate the pace of this change in pursuit of high performance.
5. She stated that the Office, while taking into account regulatory and constitutional obligations and working within budgetary resources, had sought to define a focused, affordable and achievable strategy to respond to the major priorities identified in the Programme and Budget for 2006-07. She highlighted the three priority areas of the Strategy, which were: recruitment, placement and career progression; staff performance management and development systems; and staff welfare and security. These were all interlinked and required simultaneous action to be successful. The linchpin of the Strategy, however, was staff performance management and development.
6. With regard to rebalancing the grade structure, she explained that the Office would continue to review all Professional and General Service vacancies. Particular focus would be placed initially on the P5 level, which accounted for more than one-third of staff in the P and D categories and where a significant number of retirements would take place between 2006 and 2009.

¹ GB.294/PFA/15.

² GB.294/PFA/16.

7. With respect to the issue of savings, she pointed out that the Programme and Budget for 2006-07 already envisaged a reduction of US\$2 million arising from a lowering in average grades. The Office would, however, continue to explore ways of achieving further savings through a planned approach to efficiency gains, which would not jeopardize its delivery of high-quality outputs while ensuring a highly skilled and motivated staff.
8. With regard to resource implications and the ongoing cost of the Strategy, the Director emphasized that costs would be absorbed within existing allocations. External in-kind support in the area of performance management, for example, would allow the Office to benefit from the experience of member States and accelerate implementation of the Strategy. However, she stressed that, even if such support were not forthcoming, it would not prevent the Office from proceeding with the implementation of this key element of the Strategy. She emphasized that paramount importance would continue to be placed in the recruitment process on competence, and that within this framework the Office would continue to seek a more balanced distribution of staff across a range of characteristics, including geography.
9. In conclusion, she highlighted the dynamic nature of the Strategy and the necessity for ongoing monitoring and adaptation. She confirmed the Office's commitment to providing an annual progress report, thus enabling the Committee to provide continuing guidance. She requested the Committee to provide a clear mandate to the Office in moving forward with the implementation of the Strategy.
10. Mr. Barde, speaking on behalf of the Employers' group, congratulated the new Director of the Human Resources Development Department. He also congratulated the Office on the document, which emphasized the role of managerial staff in human resources management. Directors needed to have the means at their disposal to manage their teams, and to be supported by HRD. Departments with large numbers of staff should have their own human resources experts, who would work in collaboration with HRD.
11. With regard to the section of the document on recruitment procedures, the Employers believed that this was in fact a matter for the managers of the units concerned and for HRD without pressure from outside. Concerning the concept of "experience at international level" in competitions, the Office should give the same importance to experience gained in the private sector as to that gained in the international civil service. Recruitment should also give priority to competencies. The Employers' group had reservations regarding paragraphs concerning selection criteria. The Director of each department should enjoy a certain degree of autonomy in the recruitment and selection of staff. Efforts to reduce the length of the recruitment process should be continued; 90 days was still too long, as it impaired the transmission of knowledge. The Employers viewed the question of systematically regrading posts downwards as they became vacant through retirement with some scepticism, bearing in mind the significant frustration it caused within the internal promotion system and the resulting difficulties with regard to recruiting competent individuals. Recruitment of young people should be promoted. It would be interesting to examine the criteria for determining the number of P5 staff per unit. The principle of mobility was important, but should form part of a career plan and allow for negotiation and discussion.
12. With regard to the section on performance management, the Employers supported the Office's approach but wished to receive more information on the concepts mentioned in paragraph 21. They strongly supported the objective of recognizing merit as an indicator of competence. They were very much in favour of training, and encouraged staff to participate, but observed that it was the most costly item within the programme. With regard to staff safety and security, they endorsed paragraph 26 and the renovation of buildings, both in Geneva and in the field. The Employers wanted details of the changes to

be introduced regarding leave and working time. Concerning the section on resource implications, the Employers wanted further explanations with regard to the risk that the strategy would not be delivered owing to lack of funds. The speaker concluded by supporting the point for decision.

13. Mr. Blondel, speaking on behalf of the Workers' group, congratulated the new Director of HRD on her appointment, as well as on the document, which he found to be coherent, fair and ambitious. He assured the Director of the Workers' support in her work.
14. The Workers regretted the current practice of favouring individuals with donor country nationality, as this contributed to imbalances. However, they endorsed the principle elements of the Strategy. They were pleased to see that the recruitment process had been reduced to 90 days, although they hoped that access to information on competitions would not be compromised. Selection criteria should include experience in the field of tripartism and labour relations and in those areas inherent in the four strategic objectives, so that any ILO official, not only those working in ACTRAV, would be an activist in the service of the values and principles of the ILO.
15. With regard to gender equality, the Workers felt it necessary to quickly redress the gender imbalance in the next few years at all hierarchical levels. The Workers did not wish the policy of systematically downgrading P5 posts vacated by retirement to be established once and for all. With regard to mobility, it would be helpful to present it in a more positive manner, within the framework of career development. The taboos surrounding the posting of staff to field offices needed to be broken, and care should be taken to ensure that staff of all nationalities were posted to all regions, since the Organization was universal and should fight against all discrimination. Regarding performance management and staff development, the speaker welcomed the sum allocated to staff training and development in using the IRIS system, both at headquarters and in the field, but stressed that such training should not be carried out at the expense of other training. Managers should assume their responsibilities and display integrity, particularly as far as staff appraisals were concerned.
16. The Workers welcomed the measures announced with regard to staff welfare, health and security. On the subject of security, however, the Organization should avoid dramatizing the issue and allocating too large a share of resources to it. The speaker had heard it said that knowledge of English was to be an essential prerequisite for recruitment, and hoped that the rumour was not true, since it would give rise to discrimination, which was not acceptable for an institution like the ILO. Lastly, the speaker reiterated his wish that the Office would employ at least one staff member from each of its member States, and that the ILO would become an example of excellence in its own labour relations, particularly between the Human Resources Development Department and the Staff Union.
17. The representative of the Government of the Netherlands, speaking on behalf of the IMEC group, began by congratulating the new Human Resources Management Team on its appointment and expressing his expectation for continued cooperation. IMEC would welcome a much clearer strategic direction presented in the document under consideration, in line with the Strategic Policy Framework. However, IMEC was not alone in being disappointed at the delays in the development of the new Strategy, and was also disappointed to find additional financial implications in the document, which should have been fully discussed during the programme and budget debate.
18. The high standards set by the ILO for human resources management in the world of work should be reflected within the ILO itself. The Director-General was invited to exercise strong leadership and direction, thus driving reform across the Organization and leading the Office to successful implementation of a comprehensive HR Strategy. IMEC stressed that the Strategy should be an important and integral part of results-based management.

There should therefore be strong links between the implementation of an effective strategy and the application of other results-based management tools, including a competency review to drive recruitment planning and training strategies. The Office was invited to provide further information on its intentions regarding training related to results-based management.

19. IMEC referred to the External Auditor's recommendation³ that cost-benefit analyses be undertaken by HRD for all current and future areas of the Strategy implementation, in order to ensure efficient prioritization of resources. Before endorsing the Strategy now before the Committee, IMEC would welcome the External Auditor's views as well as a cost-benefit analysis from the Office.
20. An effective performance management system, training facilities tailored to the needs of the Organization, and a reliable career planning mechanism, were all essential to an effective HR strategy. HRD should have the requisite degree of independence and flexibility to implement the new policy. IMEC continued to support the Office's view that greater emphasis should be placed on management for results and accountability linked to performance. IMEC also appreciated the specific targets set on staff mobility rebalancing the grading structure (while maintaining career development opportunities) recruitment time and gender balance. The grading targets should be extended to include D and GS staff. With regard to recruitment standards, paramount consideration should continue to be given to the highest standards of competence, efficiency and integrity. The Office was also requested to set specific targets for geographical representation and to apply a more rapid implementation timetable on all its targets.
21. IMEC had concerns on a number of points. An effective performance management system was needed – the current system should be simplified and better linked to other processes, such as mobility, succession planning and staff development. It was not acceptable for the implementation of such a system to be conditional on additional resources, and the Office should commit itself to putting in place a performance management system within existing resources.
22. The IMEC group expected greater transparency and consultation on senior appointments and significant structural changes. It was felt that the ILO's training facilities were not sufficiently geared to the actual needs of the Organization, and a skills audit needed to be carried out. The paragraph for decision should include ambitious, time-bound and clearly defined implementation targets.
23. The IMEC group requested clarification on the timing of a further evaluation by the Joint Inspection Unit (JIU) in the area of human resources management, and encouraged the Office to actively follow up on this review. IMEC had requested at an earlier session of the Committee that an assessment of the ILO's grading structure be carried out by the JIU. The group requested information on any follow-up action taken in that regard, and suggested that such an assessment be part of any future JIU evaluation.
24. Statistics were requested on the overall number of regraded posts (including downgradings), as well as an updated table of the composition and structure of senior management. Such information was needed on a regular basis. IMEC group wished to have an explanation for the differences in figures contained in the table, compared to those contained in the Programme and Budget for 2006-07.

³ In GB.292/PFA/4.

25. IMEC drew attention to the 1997 UNGA resolution 51/241 that recommends the introduction of term limits for the executive heads of all UN agencies and all other UN bodies. IMEC wished to continue informal consultations concerning the possibility of introducing term limits for the mandate of the Executive Head of the ILO.
26. In conclusion, the IMEC group expressed the hope that the Strategy would be effectively implemented in the near future. It requested the Office to revise the Strategy in the light of their comments and concerns and to present such a revision to the Committee in March 2006, reflecting the advice of the External Auditor and of the JIU.
27. The representative of the Government of South Africa, speaking on behalf of the Africa group, welcomed the Strategy and indicated that the key points for his region were geographical distribution, gender balance, productivity and democracy. He felt, however, that rejuvenation of the staff should not jeopardize his region's representation. He welcomed the Office's commitment to setting targets on gender and geographical diversity and to review the effectiveness of its policy of promoting employment opportunities for persons with disabilities. He urged the Office to continue to appoint young professionals from under- or unrepresented countries. The goal of a 90-day recruitment process was appreciated, and he again stressed the need to concentrate on under- and unrepresented countries. Interns, associate experts and former participants in training courses held at the Turin Centre would serve as a good pool of potential candidates. Ministries of Labour should be a key entry point for advertising vacant positions. He looked forward to receiving a table indicating the regional breakdown of forthcoming retirements, as well as a table showing the current composition of the staff, for comparison purposes. The Africa group supported the point for decision.
28. The representative of the Government of the Russian Federation congratulated the new Director of HRD on her appointment to such a key post. Acknowledging that the report covered all the main aspects of an HR strategy, he commented on two points. Concerning recruitment and career progression, the ILO needed to ensure a high level of skills, and rapidity in the selection process should not be the only objective. With regard to the need to balance the grade structure, the D1/D2 and GS-level categories should also be considered. Any such efforts, however, would also need to allow for career progression, and not just focus on generating savings. He supported revising performance management as a means to ensure organizational results, but it should be financed within the Office's programme and budget. He welcomed a cooperative approach to staff safety and security.
29. The representative of the Government of Australia, speaking on behalf of the Asia-Pacific group (ASPAG), welcomed the new Director and expressed appreciation for the efforts made in producing the revised HR Strategy. However, given that the budget had already been approved at the previous Governing Body session, he sought assurances that the new Strategy would not require additional funding. He also referred to the Director-General's previous statement that the Strategy would address the issue of reducing staff costs, and was concerned that not only did the Strategy fail to include any further detailed information on staff cost reductions, it actually implied possible increases. He was also concerned that the target for downgrading 24 P5 positions was too low in the light of the significant increase in P5 positions since 1998; short-term targets should be established, with longer-term goals for all grades, and there might be a need for specific guidelines for over-, under-, and unrepresented countries. He highlighted the fact that the Asia-Pacific region was under-represented. He questioned why there was no reference to the target set out in the Programme and Budget for 2006-07 of reducing unrepresented countries by ten. He looked forward to having these concerns addressed in the March 2006 session.
30. The representative of the Government of the Republic of Korea welcomed the new HRD Director and thanked the Office for the HR Strategy paper. He supported the statement

made on behalf of the Asia-Pacific group, and welcomed the revision of the collective agreement to enhance the transparency and efficiency of recruitment procedures. He requested the Office to establish clearer targets for the recruitment of officials from under- and unrepresented countries. While he noted the target of reducing the number of P5 posts, he was disappointed not to see more evidence of progress made since 2004. He recommended that all categories of staff be reviewed when the grading structure was rebalanced, and that this should be linked to recruiting young professionals from under- and unrepresented countries, based on appropriate competency and performance criteria.

- 31.** The representative of the Government of Japan expressed support for the IMEC and ASPAG statements. The Strategy represented a basis for establishing a competent and efficient Organization. He supported some of the elements, such as mobility, performance management, staff welfare and security arrangements, but was concerned that the Strategy had been submitted after the programme and budget and Strategic Policy Framework had been approved, especially as the Strategy document implied that failure to fund all of the costs could threaten delivery of the revised Strategy. He reminded the Committee that Japan had decided not to oppose the programme and budget proposals only after the Director-General had made a commitment to reviewing staff costs in the HR Strategy in November 2005.
- 32.** The representative expressed regret that, on grading, the Strategy focused only on the P5 level, with a rather moderate target, given the large increase in numbers of P5 staff since 1998, rather than developing a policy to review all grades. He requested that a comprehensive plan be submitted at the March 2006 session, and urged the Office to confirm when it intended to introduce differentiated standard cost procedures.
- 33.** He also felt that the targets for geographical distribution were extremely vague, given that the programme and budget document had a specific target for improving national diversity. He urged the Office to improve on the situation by establishing more specific targets. He concluded by stating that his delegation could not support the Strategy as presented, and that he expected to see a more specific plan in March 2006.
- 34.** The representative of the Government of Australia congratulated the newly appointed Director of HRD and supported the IMEC and ASPAG statements. He welcomed the statements on the importance of performance management in ensuring the success of the Organization, and noted the importance of linking the Strategy to results-based management. He was pleased to hear that the lack of additional contributions would not prevent the objective from being achieved, as the paper appeared to suggest. He also supported the need for regrading to include all grade categories. He supported annual reports on progress on the Strategy and looked forward to its rigorous implementation.
- 35.** The representative of the Government of Jordan, speaking on behalf of the Arab States, thanked the Office for an extremely useful document. He stressed that recruitment processes need to be streamlined further. Currently, a total of 11 Arab States were not represented and there were eight vacant professional-level posts in the Beirut Office. He urged the Office to take the necessary steps to fill those vacancies as soon as possible to enable the region to carry out its work effectively.
- 36.** The representative of the Government of China welcomed the Strategy and supported the ASPAG statement. She noted the clearer targets and more specific criteria, but was concerned about the under-representation of the Asia-Pacific region at senior management levels. She urged the Office to make full and effective use of its resources to put in place an impartial, transparent and efficient HR Strategy, which improved the Organization's effectiveness in implementing the Decent Work Agenda.

37. The representative of the Government of Nigeria supported the statement made by the Africa group but was disappointed that the Office appeared not to have consulted the Staff Union on its proposals to rebalance the grade structure. She also drew attention to the difficulty inherent in the regrading policy of maintaining a motivated workforce in the light of the downgradings.
38. In response to the debate, the Director-General reaffirmed his commitment to driving change in the Office that had been the hallmark of his tenure. But as national experiences have shown, change takes time. He reiterated the appeal to the Committee members to share and put at the disposal of the Office their knowledge and experience in implementing change, since this could be beneficial to the Office.
39. The Director-General emphasized that the process of achieving savings in the 2006-07 biennium should not be confused with a reduction in staff costs. Two million dollars in staff reduction costs had already been included in the budget. The objective of rebalancing the grade structure was not to reduce staff costs but to create opportunities for rejuvenation in order to reinforce the capacity of the Office.
40. The Director-General reaffirmed his commitment to appointing qualified women to senior positions in an attempt to redress previous imbalances and had been particularly careful of promoting competent women who had been left behind. He viewed the introduction of regional quotas as one way of addressing the structural problems inherent in the current system of national quotas, which could not be solved in the short to medium term. He invited member States, particularly in the Asia-Pacific region, to reflect on the issue and seek possible solutions among themselves. He stressed the importance of recruitment of staff of the highest standards of competence and with a little heart for the issue, since the ILO was a value-based institution. He asked for support and collaboration from constituents in ensuring that no pressure was exerted on the Office to bypass this paramount criterion.
41. The Director-General stressed the importance he attached to management and financial issues in the ILO, and hence, his regular presence in the PFAC deliberations. Together with his political functions, he considered that management issues were of key importance. Management processes, in particular the change process, were very complex and their different aspects constituted a package. He thanked the Committee for the opportunity to speak frankly with them and repeated his request for them to share their experience, knowledge and technical expertise with the Office.
42. The Executive Director of the Management and Administration Sector stressed that some of the suggestions made, for example competency-based reviews and skills audits, were extremely resource-intensive and not possible within the current budget. She emphasized that the Strategy was developed within the existing budget. She recognized the technical expertise and knowledge base that the Committee could share with the Office and encouraged it to do so.
43. Responding to the issue of an ongoing role for the JIU in the context of human resources development, she indicated that, while the JIU could play a role in providing reliable comparable data across the common system, it did not have the requisite competencies to provide advice on operational human resource matters such as the application of grading standards. She confirmed that the Office intended to request the JIU to provide cross-organization data on grading standards and good practices on issues such as performance management and staff welfare. Such data were needed to assist with the HR Strategy. She affirmed the Office's intent to continue to move forward on the issue of work/life balance. She further noted the Office's strong commitment to social dialogue and consultation with the Staff Union. In relation to addressing the difficult situation of the temporary relocation

of the Abidjan Regional Office, the Office had committed itself from the beginning to identifying workable solutions to the problems encountered and had worked closely with the Regional Director to find solutions and complete the process. The staff in Abidjan very much appreciated the efforts made by the Office.

44. The Director of the Human Resources Development Department thanked everyone for their extremely useful comments on the HR Strategy. She noted that the Director-General had appointed her with a mandate for further change and she welcomed the opportunity to listen to the Committee. She assured the Committee that HRD would reflect on the valuable suggestions made. She would also welcome further discussion on a bilateral basis of any of the issues raised. She assured the Committee that further statistical information would be made available at the March 2006 session. With regard to the issue of carrying out a cost-benefit analysis, she noted that, in preparing the HR Strategy, the Office had engaged in a process of identifying and choosing priorities, taking account of costs and expected benefits, particularly in terms of their contributions to the delivery of results. She indicated that the External Auditor had neither assisted in the preparation of nor endorsed the HR Strategy paper, as that was not his usual role. However, he would provide a review of the progress made in implementation of the HR Strategy as part of his general report on follow-up to previous recommendations that was scheduled to be presented in June 2006.
45. The Director of the Human Resources Development Department explained that the Office had taken the decision to focus its efforts on rebalancing the grade structure at the P5 level because that was where there was evidence of over-grading compared to other similar specialized agencies within the common system. However, the intention was eventually to examine all P and GS grades, and separate targets would then be set. With respect to D-level positions, the percentage was not significantly out of line with other agencies, but action was already proceeding in relation to those grades in the context of the Director-General's commitment to streamlining management structures and identify opportunities for rationalization at that level. With regard to rejuvenating the Office, she noted that HRD had recently issued a policy on internships, and affirmed that the Office was committed to attracting more qualified young people through targeted prospectation.
46. She sought the approval of the Governing Body members on the core elements of the strategy paper so that HRD could begin to move forward on the elements identified.
47. *The Chairperson referred to the points for decision. Following some discussion by the Committee, recognizing the various requests for updates to the Strategy in March 2006, the difficulty in preparing a detailed update before March 2006, and the desire to start implementation of the Strategy, the Committee agreed to recommend to the Governing Body to:*
 - (a) *endorse the revised HR Strategy, including the proposed targets and noting the associated cost implications; and*
 - (b) *note that a preliminary progress report on progress in implementation of the revised Strategy would be provided in March 2006 together with the usual statistical information, a detailed report being provided in November 2006 and annually thereafter.*

V. Report of the International Civil Service Commission (Seventeenth item on the agenda)

48. The Chairperson introduced the report of the International Civil Service Commission (ICSC).⁴
49. Mr. Blondel, speaking on behalf of the Workers' group, recalled that this was a routine document and supported the point for decision. However, he drew attention to the absence of dialogue between the ICSC and the staff unions and associations, and invited the Director-General to bring pressure to bear on the heads of secretariat of the other international agencies to embark on social dialogue.
50. Mr. Barde, speaking on behalf of the Employers' group, endorsed the recommendations of the ICSC adopted by the United Nations General Assembly but was concerned about their financial repercussions.
51. The representative of the Government of Nigeria, speaking on behalf of the Africa group, endorsed the document.
52. *The Committee recommends that the Governing Body:*
- (a) *accept the recommendations of the ICSC, subject to their approval by the United Nations General Assembly, on the following entitlements:*
- (i) *an increase of 2.49 per cent in the base/floor salary scale; and*
- (ii) *consequential increases in the mobility and hardship allowance and separation payments for staff in the Professional and higher categories, with effect from 1 January 2006; and*
- (b) *authorize the Director-General to give effect in the ILO, through amendments to the Staff Regulations (as necessary) to the measures referred to in subparagraph (a), subject to their approval by the General Assembly.*

VI. Matters relating to the Administrative Tribunal of the ILO (Eighteenth item on the agenda)

(a) Statute of the Tribunal

53. The Committee had before it a document⁵ concerning proposed amendments to the Statute of the ILO Administrative Tribunal reflecting the results of further examination of the proposals by organizations that have accepted the jurisdiction of the Tribunal since its last review of the matter.

⁴ GB.294/PFA/17.

⁵ GB.294/PFA/18/1.

54. Mr. Blondel, speaking on behalf of the Workers' group, pointed out that the Workers had a special interest in matters relating to the Administrative Tribunal of the ILO (ILOAT). The Workers had held regular discussions with the Legal Adviser on these issues in order to find a way out of a difficult situation. However, as the representative of the ILO Staff Union did not agree on this point, it appeared necessary to defer the discussion so that a more appropriate solution could be found. It was not the position of the Office which made the situation so difficult, but that of other agencies that had chosen to recognize the jurisdiction of the ILOAT.
55. Mr. Barde, speaking on behalf of the Employers' group, addressed the substance of the points for decision. Concerning oral proceedings, what posed a problem was the potentially longer time frames and additional costs involved. That could result in overburdening the Tribunal, whose resources were limited. The speaker had certain reservations concerning the possibility of submitting written observations (*amicus curiae*), although he was aware that the Tribunal already accepted the practice. There was clearly less consensus on that point among the organizations concerned, and it should be examined further, particularly with regard to its financial implications. On the proposals concerning the extension of the right of action, the Employers were entirely opposed to it, as it was a step in the direction of "class actions". Apart from the additional costs entailed, these changes would lead to the Tribunal being used as a means of negotiation or even pressure, although there were negotiation systems in each organization. Moreover, there was no consensus on that point among the organizations concerned.
56. The Legal Adviser explained that the proposals in the document had been made at the request of one of the groups when the matter was last discussed in order to ascertain the views of organizations that had accepted the jurisdiction of the Tribunal. No changes had been presented except for the point raised by certain organizations relating to the sharing of costs in cases brought by representative staff associations. Responding to the Employers' observations, he noted that an administrative tribunal, unlike other courts, primarily made decisions based on the written record, and usually did not need to hold oral proceedings. The proposed amendment to article V sought to make explicit the discretion of the Tribunal to hold oral proceedings. As for the *amicus curiae* briefs, that issue was within the exclusive competence of the Tribunal, and the proposal merely sought to ensure that the procedures which the Tribunal could adopt would facilitate, rather than slow down, proceedings involving such observations. Even without the Governing Body's action, the Tribunal would continue to accept such observations. It had already done so in two cases explicitly in order to provide a voice to staff associations wishing to defend the rights of the staff members whom they represent in the context of disputes concerning decisions affecting the staff as a whole or a specific category of staff member. In further response to the Employers' observations, he clarified that the proposal relating to a direct right of action applied only to rights which are explicitly provided by the Staff Regulations of the international organization concerned, and the proposal would not give rise to class actions or pressure by those associations. Rather, it would provide a means for such associations to defend their rights which had already been recognized.
57. Mr. Barde, speaking on behalf of the Employers' group, maintained his position on the first two points. Concerning the third point, he felt it depended on whether an individual or a collective action was being brought before the Tribunal, and whether the case concerned a complaint or a claim. He also wished to know whether a class action could really be excluded on the basis of the Office statutes. The Employers' group considered that these changes would transform the role of the ILO Administrative Tribunal.
58. ***The Committee recommends to the Governing Body that the matter for decision be deferred.***

(b) Judges' fees

59. The Committee had before it a document⁶ concerning the remuneration of judges of the ILO Administrative Tribunal and the method for financing a proposed increase in the flat-rate fee paid.
60. Mr. Blondel, speaking on behalf of the Workers' group, noted that the judges' fees were also a way of remunerating their office, hence their importance. Clearly, the amount of the fees had to be reviewed, but he questioned the notion of automatic indexation to the Swiss inflation rate.
61. Mr. Barde, speaking on behalf of the Employers' group, agreed with the principle of reviewing fees, while expressing his preference for a review every five years. The Swiss inflation index did not make sense in every case, since not all the judges lived in Switzerland. He recalled that the proposal needed to be more balanced, given that the cumulative inflation rate since 1982 was 53 per cent, compared to a proposed increase of 100 per cent. Furthermore, the total income received by the judges was not inconsiderable, and they also had the opportunity to carry out arbitration, which was more lucrative. The Employers also wondered what the position of the other international organizations concerned was.
62. The representative of the Government of Nigeria supported the point for decision, stating that fees must be adequate to enable the judges to work effectively. She wished to know the number of days it took to decide each case.
63. The representative of the Government of Canada, supported by the representative of the Government of Australia, expressed support for the point for decision except for the indexation to inflation. She preferred that the issue be reviewed periodically and adjustments made when necessary.
64. The Legal Adviser replied to the questions raised. Concerning comparable administrative tribunals, the fees of the judges of the Administrative Tribunal of the World Bank were US\$1,550 per day worked, but their working methods were less demanding than those of the judges of the Administrative Tribunal of the ILO. He pointed out that it took about one week to draft a Judgment. Concerning adjustment of the fees, it was not a matter of automatic indexation to the Swiss price index, but of establishing an objective reference framework to enable the Committee to adjust the amount of the fees as necessary.
65. Mr. Blondel, speaking on behalf of the Workers' group, pointed out that the Workers did not object to the total amount of 4,500 Swiss francs for the entire Tribunal, but that it was not judicious to refer to the Swiss inflation rate. The main point was to provide a guarantee that the fees would be periodically reviewed every budget year. He therefore proposed to amend the point for decision by deleting the words "on the basis of the inflation rate for Switzerland" from subparagraph (a).
66. Mr. Barde, on behalf of the Employers' group, stated that he was prepared to follow the Workers' proposal.
67. *The Committee recommends to the Governing Body:*

⁶ GB.294/PFA/18/2.

- (a) *that the flat-rate fee for each case heard be increased to 4,500 Swiss francs, as of 1 January 2006, this amount to be revised, where necessary, when the programme and budget is adopted; and*
- (b) *that the total estimated cost of US\$24,000 be financed out of savings achieved in Part I of the Programme and Budget for 2006-07.*

(c) Recognition of the Tribunal's jurisdiction by the European Telecommunications Satellite Organization

- 68. The Committee had before it a document ⁷ on the recognition of the Tribunal's jurisdiction by the European Telecommunications Satellite Organization (EUTELSAT).
- 69. The Employers' and Workers' groups expressed their agreement with the point for decision.
- 70. *The Committee recommends that the Governing Body approve the recognition of the Tribunal's jurisdiction by the European Telecommunications Satellite Organization (EUTELSAT), with effect from the date of such approval.*

(d) Recognition of the Tribunal's jurisdiction by the International Organization of Legal Metrology

- 71. The Committee had before it a document ⁸ on the recognition of the Tribunal's jurisdiction by the International Organization of Legal Metrology (OIML).
- 72. The Employers' and Workers' groups expressed their agreement with the point for decision.
- 73. *The Committee recommends that the Governing Body approve the recognition of the Tribunal's jurisdiction by the International Organization of Legal Metrology (OIML), with effect from the date of such approval.*

**VII. Other personnel questions:
Update on staff health insurance
(Nineteenth item on the agenda)**

GB.294/PFA/9/1.

- 74. Mr. Blondel, speaking on behalf of the Workers' group, noted that the document was submitted for information and that he would discuss the technical aspects of the question of health insurance with the ILO Staff Union.

⁷ GB.294/PFA/18/3.

⁸ GB.294/PFA/18/4.

75. Mr. Barde, on behalf of the Employers' group, took note of the document and of the information contained in it.

Geneva, 15 November 2005.

Points for decision: Paragraph 47;
Paragraph 52;
Paragraph 58;
Paragraph 67;
Paragraph 70;
Paragraph 73.

Appendix

Statement by the representative of the Staff Union

Mr. Chairperson,

Members of the Committee,

Director-General,

It is an honour for me as a union representative to be able to speak to you today. I am speaking for the first time on behalf of a single Staff Union representing all the staff of the International Labour Organization, following a recent merger decision by the Staff Unions of the ILO and the Turin Centre.

For workers all over the world, this body, an extension of the Governing Body, which itself derives its authority from the International Labour Conference, is a bastion where the universal desire for social peace and justice can find its expression. Social dialogue and collective bargaining are your common currency. But the constant search for consensus between the social partners aimed at finding measures to protect the quality of the employment relationship is unfortunately not much in evidence in the way in which the United Nations system functions.

My predecessors here have in recent years repeatedly said that the determination of the International Civil Service Commission, the ICSC, to downgrade conditions of work for staff within the system would inevitably result in the loss of everything that has been the real strength of the United Nations over the last few decades – that is, the principle of recruiting the best, under the best conditions of service, and with guaranteed independence.

The distortion of the methods used to calculate salaries, the undermining of the rules which have created the international civil service, through indifference or with the active encouragement of members of the United Nations General Assembly, without any real consultations with staff representatives, will logically result sooner or later in the transformation of the United Nations into a subcontracting agency, and this will be the death knell of an independent international civil service.

But in the face of this threat, a response is being organized. Last September, representatives of United Nations staff held their second inter-organization trade union symposium within these walls. Staff unions and associations representing more than 80 per cent of the United Nations' staff and representatives of their two major federations spent three days discussing the best ways of joining forces to combat the bureaucratic monster which the ICSC has become.

The formula for calculating salaries is being challenged more and more often, and the recent case brought by our colleagues in Costa Rica, who have been badly hit by their loss of purchasing power, is but one example of a growing rejection of the "cut-price", privatized public service which some would impose on us. The attempts at intimidation directed at international civil servants, including the threat to convert their pension system into a savings fund and introduce as yet undefined performance-related pay in place of salaries based on levels of responsibility, are only enhancing solidarity among members of staff who are becoming less resigned.

The ILO, within its areas of competence, is an exception to the general absence of social dialogue in the United Nations system. Will we, in five years from now, resemble a certain little village in ancient Gaul still holding out against the invading Romans? Come what may, collective bargaining remains a reality among us, and the ethos of trade unionism is evident on every floor of this building. That trade union presence is something we still need today. Even in the ILO, conditions of work and employment have to be constantly defended.

Last spring, our union vigorously defended the right to work of our locally employed colleagues in Abidjan. It will do the same tomorrow to defend the jobs of men and women who risk losing them because of IRIS. We obviously cannot stand by while colleagues who have worked here for years lose their place because no training has been planned. Protection of employment and the quality of the employment contract remain the principal objectives of our Union. In the context of the introduction of IRIS, the ILO's administration has given the Staff Union detailed information on the human resources situation. The clarity, transparency and accuracy of this information bode well for future follow-up discussions.

As I speak to you here, about 400 women and men employed by this Organization, at headquarters and in the field, are working under external collaboration contracts. These categories, "external" and "internal", are puzzling. How many of these employees have contracts which offer no social protection for sickness, maternity, or pension rights – despite the fact that their continuing employment proves that theirs are genuine posts? Despite the repeated assurances of the Human Resources Department that it can manage the situation, we see little progress in this area.

After eight months of difficult discussions, a review of the collective agreement on recruitment and selection is under way. We hope that it will be possible to submit to you some amendments to the relevant provisions of the Staff Regulations next March. You will find more details of this in the document GB.294/PFA/16 under the heading "Sound and effective policies and procedures for recruitment, placement and career progression". We have high hopes of this document, as we are far from happy with the current conditions of recruitment and selection, which are lacking in fairness and transparency.

The Human Resources Department highlights the increase in the number of women at the P5 grade, and we can only welcome this. But we regret that there are no statistics on the application of gender policy in the field. We hope that such data will be made available to you next March.

As regards the issue of mobility, we are surprised at the vindictive tone of paragraph 17 in the document I have just referred to. The Staff Union was consulted on the content of the new mobility policy document, and the administration has incorporated some of our observations. Nevertheless, the policy presented to the staff contains a number of unfortunate turns of phrase – despite the fact that the Staff Regulations are quite clear on this matter and require no addition if all that is wanted is an improvement in the current policy. Success in anything is not achieved through threats, but rather by gaining the support of everyone for the objectives that have been established. With this in mind, and in order to clarify the possible implications of the new policy, we will be asking HRD to organize an information meeting to allow an exchange of views with our colleagues.

It was from this document that we learned that a new staff appraisal system was under development. To date, there has been no discussion with the administration on this question, which has been ongoing since 2001.

We are somewhat taken aback by the sudden sense of urgency which has apparently seized the administration in its desire to inform you of a new staff appraisal programme

which it has not yet discussed with the Staff Union – while taking its time with the general introduction of Personal Development Plans, which ought to be part and parcel of any staff appraisal system. Career development and staff training are the keys to the excellent service provided by the staff, our colleagues – who are, as we are constantly told, this Organization’s principal resource.

Protection of employment, the quality of employment contracts, the painful birth of IRIS, training, staff appraisals, career planning – these are all questions which, if the collective bargaining machinery fails to come up with satisfactory answers, could lead ultimately to the sort of response by the Staff Union and ILO employees with which we defended the jobs of our colleagues in Abidjan.

Another important item on your agenda, not for the first time, concerns the ILO Administrative Tribunal (ILOAT).

I am referring to an amendment which would grant staff unions and associations a direct right of action by representative staff associations in cases affecting their own rights recognized by applicable staff regulations or rules of organizations for which the ILOAT has jurisdiction, and the right of intervention by any other association with identical interests.

Regrettably, the proposal that has been put before you makes no reference to the previous undertaking made by the Office which would give the Staff Union a right of action before the Tribunal in cases affecting rights recognized under the Staff Regulations for the staff as a whole or for a discrete category of staff, despite the fact that this was favoured by the Tribunal itself.

These provisions are a far cry from what was agreed with the Legal Adviser, details of which are set out in the document GB.286/PFA/17/2 from the Governing Body’s March 2003 session, referring as they do to “the initiative of the Office” concerning cases “where (a) the Union’s own legal rights or prerogatives are allegedly being impinged upon; and (b) where a regulatory or quasi-regulatory decision affects staff as a whole or a discrete category or categories of staff”.

We have already received messages from representatives of staff associations of organizations for which the ILOAT has jurisdiction, including the two federations representing United Nations staff, FICSA and CCISUA, strongly criticizing this text – including the proposed payment in advance by associations as an insurance against arbitrary rulings. This seems so ludicrous that one is surprised it was ever put forward.

Before concluding, we would like once again to talk about the post of legal adviser of the Staff Union. Our Staff Union has a secretariat which it funds *entirely* from membership subscriptions, except for one post of secretary to help run the collective bargaining machinery.

The members of the secretariat have always had ILO contracts, just as the staff working for the inter-union federations of the United Nations have had United Nations contracts funded by the federations. At the ILO, which should be setting an example, this question has still to be resolved, and our legal adviser is still employed under a precarious contract. The discussions on this question that took place at our last AGM identified a number of promising approaches. These will – let us hope – allow us to carry on a dialogue with representatives of the administration, which has so far shown itself very little disposed to dialogue on a matter that is crucial to the principle of freedom of association – that is, the right of every union to organize itself as it sees fit within the framework of the applicable law, in this case, the law governing the international civil service.

Our administration here is now talking about ethical standards, and has set up – without, incidentally, any Staff Union involvement – a working party to examine this issue. Precarious employment, delays and cost overruns with IRIS, recruitment and promotion procedures lacking transparency, immunity for incompetent managers, deteriorating working conditions, unequal opportunities and treatment based on gender and type of recruitment – these are among the many issues which we intend to bring to the attention of the working party.

In the hope of swift progress, then, we will endeavour to carry on social dialogue which should set the standard within our Organization.

Thank you.