



**FOR INFORMATION**

ELEVENTH ITEM ON THE AGENDA

**Matters relating to the Joint  
Inspection Unit**

**(a) Reports of the Joint Inspection Unit**

**Report of the Joint Inspection Unit of the  
United Nations on its activities for the year  
ended 31 December 2004**

1. This is the 36th report<sup>1</sup> of its kind prepared by the Joint Inspection Unit (JIU). The report contains two parts: Annual report for 2004 and Work programme for 2005. The first part covers the reform of the JIU, summary of seven reports and one note issued in 2004, the follow-up system and implementation of recommendations, relationship with other oversight bodies, and administrative issues. The JIU lists, in the annexes to the report, the composition of the JIU, its staffing and budget, the list of participating organizations, and the percentage share of participating organizations in the costs of the JIU in 2004.
2. The reform of the JIU is referred to in GB.294/PFA/11/2, "Review of the ILO's collaboration with the United Nations Joint Inspection Unit: Update".
3. Copies of the annual report of the JIU on its activities are available for consultation.

**Other JIU reports**

4. There are three JIU reports, as listed below, that meet the criteria used to refer its paper to the Governing Body. These criteria are that the reports have recommendations that directly concern the ILO and that comments on the reports are issued by the United Nations system Chief Executives Board (CEB) for coordination.
  - JIU/REP/2004/2, "Review of the headquarters agreements concluded by the organizations of the United Nations system: Human resources issues affecting staff";

<sup>1</sup> United Nations General Assembly, Official Records, 60th Session, Supplement No. 34 (A/60/34).

- JIU/REP/2004/5, “Overview of the series of reports on managing for results in the United Nations system”;
- JIU/REP/2004/9, “Procurement practices within the United Nations system”.

**(a) “Review of the headquarters agreements concluded by the organizations of the United Nations system: Human resources issues affecting staff” (JIU/REP/2004/2 and A/59/526)**

5. The objectives of the report are to identify areas where adjustments in headquarters agreements might be advisable and to contribute to the elaboration of model provisions for future headquarters agreements, or amendment of existing agreements, with particular focus on human resources management issues. Among other aspects, the report recognizes the fact that a majority of the United Nations system organizations were established decades ago and a good number of their headquarters agreements have been amended in some very specific areas in an effort to reflect present realities.
6. CEB members generally welcome the findings of the report and are broadly in agreement with its conclusions and recommendations. They regard it as a useful contribution to the law and practice of the United Nations system organizations and acknowledge, in particular, the value of the analysis of headquarters agreements as a key consideration in the enhancement of the conditions of service of staff.
7. The following are the recommendations that concern the Office:
  - **Recommendation 1**

The legislative bodies of the organizations should bring to the attention of the host countries the desirability of adopting, as appropriate, more liberal policies as regards the granting of work permits or the establishment of similar arrangements in favour of the spouses of staff members and officials of international organizations.
  - **Recommendation 2**

The legislative bodies of the organizations should remind the host countries of the importance of fully implementing the provisions of the headquarters agreements and ensuring the use of simplified procedures to facilitate the exercise of the privileges, immunities and benefits granted to the organizations and their staff members and officials, including in such areas as:

    - granting of work permits for children and visas for domestic helpers;
    - acquisition and rental of real property;
    - integration into the social security system;
    - retirement in the host country; and
    - tax exemption benefits, the issuance of special cards to be used in tax-free transactions, as well as the periodic review of the provisions on taxation, taking into account changes in domestic legislation as well as developments within the organizations.

■ **Recommendation 3**

In order to better acquaint staff, particularly new recruits and new arrivals at a duty station, with the contents of the host country agreements, the executive heads of organizations are requested to issue comprehensive information circulars and to publicise, by electronic and other appropriate means, the privileges, immunities and other benefits granted to staff members and officials, as well as their obligations.

■ **Recommendation 4**

The legislative bodies of the organizations should bring to the attention of the host countries the significance of adequately informing the local administration, public services and business communities, especially those situated outside the capital or seat of the various organizations, about the privileges, immunities and benefits granted to the United Nations system organizations, their staff members and officials, so as to facilitate the exercise of these privileges, immunities and benefits and to ensure that the staff and officials of the organizations receive adequate cooperation and understanding in the fulfilment of their obligations.

■ **Recommendation 5**

The legislative bodies of the organizations should remind host countries of the desirability of ensuring that any additional facilities granted to intergovernmental organizations within the host country are extended to all United Nations system organizations, their staff and officials located in that territory.

■ **Recommendation 7**

The legislative bodies of the organizations should remind host countries of the significance of simplified procedures that would ensure the speedy processing of visas for staff and officials travelling on mission for United Nations organizations and prevent undue delays in the substantive work of the organization as well as limit possible financial losses.

8. The ILO considers that the operative content of most of these recommendations is concentrated on the privileges and facilities which are a courtesy granted for the benefit of international officials. Only one, recommendation 7, touches upon an exemption necessary for the proper functioning of the organizations.

9. The Director-General considers that the ILO's relations with Switzerland, the host country of its headquarters, are constructive and positive, and that it does not require the intervention of the Governing Body.

**(b) "Overview of the series of reports on managing for results in the United Nations system" (JIU/REP/2004/5 and A/59/617)**

10. The report presents a comprehensive analysis of planning, programming, budgeting, monitoring and evaluation, delegation of authority and accountability, staff performance management and management of contractual arrangements in the organizations of the United Nations system. These processes are defined in the report as the main pillars for the development of results-based management.

11. CEB members find the report is, in its entirety, a useful and valuable reference from a system-wide perspective on the subject of results-based management. They are in broad

agreement with the findings and conclusions of the report. CEB members, however, are of the view that the two main recommendations of the report should be considered in the light of the specific situations and requirements of the organizations of the system, as well as in relation to the inter-agency mechanisms already in place within the framework of the CEB.

12. The following is the recommendation that concerns the Office:

■ **Recommendation 1**

Legislative organs of participating organizations may wish to endorse this benchmarking framework as a tool for them, the pertinent oversight bodies and the secretariats to measure the progress towards an effective implementation of results-based management in their respective organizations, taking into account their specificities, and may wish to request their secretariats to present to them a report thereon.

13. The Director-General considers that these reports provide valuable system-wide information on a wide-ranging set of issues. They have already been adapted for use within the Office, most specifically in the case of training materials for ILO managers. However, the recommendation constitutes more of a broad guide to good practice than a measurable benchmark.

14. The JIU's work on evaluating strategic budgeting in the ILO, submitted to this session of the Governing Body,<sup>2</sup> offers more concrete suggestions for the Governing Body's guidance on future action.

(c) **“Procurement practices within the United Nations system” (JIU/REP/2004/9 and A/59/721)**

15. The report is an important study that comes at a time when both the organizations of the United Nations system and the member States are focusing on greater transparency and accountability as well as more efficient and cost-effective procurement. It presents a system-wide analysis of the status of procurement services and practices within the organizations of the United Nations system, with a focus on the strategic issues that are most likely to influence the cost-effectiveness and reform of the procurement process in the United Nations system.

16. CEB members are generally in agreement, with certain reservations, with the findings and the recommendations of the JIU concerning the rationalization of processes, establishment of unified reporting and accountability, training of staff, use of procurement manuals, common services, electronic methods and capacity-building in public procurement agencies in recipient countries.

17. The following are the recommendations that concern the Office:

■ **Recommendation 4**

All executive heads should ensure that their respective procurement services have adequate and timely legal support, and that some of their existing staff receive training in the legal aspects of procurement (paragraph 31).

<sup>2</sup> GB.294/PFA/8/3, “External review of the ILO's implementation of results-based management”.

■ **Recommendation 5**

Notwithstanding the agreement reached at the 29th Inter-agency Procurement Working Group (IAPWG) meeting to focus on the project proposal entitled “Common Procurement Training Initiative for the United Nations” on a certification system for procurement officers, active consideration should continue to be given to: (a) where applicable, further increasing the procurement training budgets of the organizations; (b) integration, as far as practicable, of specialized procurement training initiatives and capacities available within the United Nations system; (c) expanded training in e-procurement methods in the context of recommendation 10(e) below; and (d) development of a technical assistance strategy supporting capacity-building in public procurement agencies in the recipient countries coupled with mobilization of resources to this end (paragraph 38).

■ **Recommendation 6**

The executive heads of the organizations should ensure that procurement manuals exist in the working languages of the secretariats of the organizations in line with the relevant multilingual policies of the organizations concerned, in order to foster the integrity of the procurement process in all field offices (paragraph 43).

■ **Recommendation 9**

The executive heads should ensure that the development of e-procurement solutions in their respective organizations is guided by the following basic principles, inter alia:

- (a) the existence of a legal and procedural framework;
- (b) inter-agency cooperation and coordination;
- (c) the promotion of an incremental approach to the establishment of e-procurement; and
- (d) the development of a relevant new skill set through training and retraining programmes (paragraph 83).

■ **Recommendation 10**

In view of the growing importance of the issue of government transparency in public procurement in the context of World Trade Organization agreements, as recently endorsed by General Assembly resolution 55/247 of 12 April 2001 on procurement reform, the executive heads of the organizations should, upon request, develop technical capacity-building support in their procurement portfolio programmes to support capacity-building in public procurement agencies in the recipient developing countries so that they can participate actively and strengthen their abilities to participate in procurement. The programmes in question should aim to complement ongoing activities in this area of the World Bank, the Organisation for Economic Co-operation and Development, the International Labour Organization’s Turin Centre and Inter-agency Procurement Services Office (IAPSO), among others (paragraph 91).

18. The Director-General agrees with these recommendations, specifically regarding:

■ **Recommendation 4**

The ILO ensures full legal monitoring of all procurement contracts.

■ **Recommendation 5**

The ILO actively supports the United Nations initiative on the certification scheme for procurement officers. Two procurement officers attended the first training seminar held at International Training Centre in Turin on 11-23 July 2005. Office-wide training in basic procurement procedures has led to the successful implementation of the IRIS procurement module.

■ **Recommendation 6**

The relevant procurement manuals exist in the form of elaborate circulars (Series 8, Nos. 58, 59, 60) with instructions on procedures in conformity with the ILO's Financial Rules. In view of IRIS, new manuals are being prepared in all three working languages.

■ **Recommendation 9**

The ILO is one of very few agencies promoting e-commerce, implementing the new policy and technologies. E-commerce has been introduced with the online purchasing of office supplies through a dedicated Internet site and further strengthened by project IRIS (i-procurement component within the procurement module).

■ **Recommendation 10**

In compliance with the Financial Rules, procurement processes follow competitive procedures and major tenders are internationally advertised. This ensures commercial transparency thereby extending best procurement practices to all bidders.

The ILO leads the IAPWG sub-working group on vendor management. The aim is to implement coherent United Nations vendor registration and assessment procedures, called the United Nations Global Marketplace (UNGM), with the aim of facilitating United Nations and public procurement.

**19.** Copies of these reports are available for consultation.

Geneva, 30 September 2005.

*Submitted for information.*