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Agenda item 18

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9 April 2009  
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## EXTERNAL RELATIONS

### (b) Joint Inspection Unit

#### Note by the Secretary-General

#### SUMMARY

<i>Executive summary:</i>	This report provides information on JIU reports received since C 100
<i>Strategic direction:</i>	None
<i>High-level action:</i>	None
<i>Planned output:</i>	None
<i>Action to be taken:</i>	Paragraph 29
<i>Related documents:</i>	None

#### INTRODUCTION

1 Since the 100th session of the Council, the Secretary-General has received the following JIU reports:

- .1 “Voluntary contributions in United Nations System Organizations – Impact on programme delivery and resource mobilization strategies” (JIU/REP/2007/1);
- .2 “United Nations System Staff Medical Coverage” (JIU/REP/2007/2);
- .3 “Age Structure of Human Resources in the Organizations of the United Nations System” (JIU/REP/2007/4); and
- .4 “Knowledge Management in the United Nations System” (JIU/REP/2007/6).

Copies of the aforementioned reports are attached in annexes 1, 2, 3 and 4.

2 The Secretary-General and the senior management have given due consideration to the reports and their recommendations and the comments provided in the succeeding paragraphs are on those recommendations in the annexed reports that are germane to the role and functions of the Organization.

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**VOLUNTARY CONTRIBUTIONS IN UNITED NATIONS SYSTEM ORGANIZATIONS – IMPACT ON PROGRAMME DELIVERY AND RESOURCE MOBILIZATION STRATEGIES (JIU/REP/2007/1)****General**

3 The Secretary-General welcomes the report on voluntary contributions in UN system organizations as it relates to programme delivery and resource mobilization. Two areas that are subject to voluntary contributions in the UN system are core resources (regular budget) and extrabudgetary resources (i.e. technical assistance, peacekeeping, relief and development assistance). In the case of IMO, the regular budget is funded from assessed contributions, whilst technical co-operation (TC) activities are funded through a combination of core funds from the TC Fund and voluntary contributions from Member States and development partners. Therefore, the seven recommendations contained in this report should be viewed in terms of TC activities.

4 As indicated in annex II to the report, the Organization's long-term funding and resource mobilization strategy, at that time, was contained in document TC 46/4. Since then, a new strategy for the long-term financing of the Integrated Technical Co-operation Programme (ITCP), attached to document TC 57/5/2, was approved by the fifty-seventh session of the Technical Co-operation Committee (TCC). Of the seven recommendations, recommendations 1, 4, 5 and 6 are addressed to legislative bodies. In this respect, the Council may wish to address these, as appropriate.

***Recommendation 1***

*The legislative bodies of each United Nations fund and programme should establish an intergovernmental working group to develop proposals for a voluntary indicative scale of contributions for core resources, based on the model adopted by UNEP, for the consideration and approval of the legislative bodies.*

5 This recommendation is merely for noting as it is not addressed to the Organization.

***Recommendation 2***

*Executive heads should develop, or continue to develop, flexible funding modalities, such as thematic funding and pooled funding, for the consideration and approval of the legislative bodies.*

***Recommendation 3***

*Executive heads should review the existing policies and procedures of their respective organizations that guide interactions with donor countries and revise them, as appropriate, to ensure that those interactions are conducted in a systematic and open manner.*

6 The Secretary-General accepts recommendations 2 and 3 above, which should be viewed in terms of the Organization's present strategy for long-term financing of the ITCP, which contains the elements of recommendation 2. Flexible funding modalities have always been an option in securing the right support for the delivery of the Organization's ITCP. To retain the confidence of donors and development partners, it is essential that a systematic and transparent approach should remain the hallmark of all interactions with donors, development partners and recipients of assistance.

**Recommendation 4**

*The legislative bodies of United Nations system organizations should request their respective executive heads to expedite work on the harmonization of support cost recovery policies that is currently being carried out under the auspices of the United Nations System Chief Executives Board for Coordination (CEB).*

7 Work is ongoing on harmonization of support cost recovery policies within the CEB and a positive outcome therefrom would be beneficial for all UN system organizations.

**Recommendation 5**

*The legislative bodies of United Nations system organizations should request their respective executive heads to ensure that agreements negotiated with individual donor countries for associate expert/junior professional officer programmes include a funding component for candidates from under- and unrepresented countries.*

8 The Secretary-General and the senior management recognize the good intentions of this recommendation, which, if found acceptable to Member States providing funding for associate expert/junior professional officer programmes, would assist developing countries in their capacity-building efforts. It should, however, be recognized that providers of funding for such programmes may be constrained by national requirements, which makes it difficult to extend funding to this important component for professional development. The Secretary-General would welcome any positive consideration given by Member States to the intent of this recommendation being, however, of the view that this element should not be included in negotiations with individual donor countries wishing to provide associate expert/junior professional officers.

**Recommendation 6**

*The legislative bodies of United Nations system organizations that have not already done so should request their respective executive heads to develop a corporate resource mobilization strategy for the consideration and approval of the legislative bodies.*

9 The Organization's regular budget, which is the source of funding for its core activities, is funded exclusively from assessment on Member States. The ITCP is the main programme of the Organization that relies on resource mobilization to complement core funding provided by the TC Fund and, for this purpose, a new resource mobilization strategy exists. Therefore, implementation of this recommendation may not be necessary in the context of the Organization's core programmes and activities.

**Recommendation 7**

*Executive heads should ensure that the resource mobilization strategy developed for their respective organizations includes a centralized coordinating entity and that the roles, responsibilities and any delegated authorities for resource mobilization are clearly specified in appropriate administrative instruments.*

10 The Secretary-General accepts this recommendation, which will be taken into account in the implementation of the new strategy on long-term financing of the ITCP as it relates to any possible need to elaborate appropriate administrative guidance.

**UNITED NATIONS SYSTEM STAFF MEDICAL COVERAGE (JIU/REP/2007/2)****General**

11 The Secretary-General and senior management welcome the report on staff medical coverage and note, with interest, the comparative analysis of the various staff medical coverage being provided by the UN system organizations. The provision of medical coverage for staff members and their dependants throughout the UN system organizations is a difficult and complex issue to address from a system-wide perspective. With the rising cost of medical services, each organization has had to focus on retaining value for money, whilst ensuring that staff members, retirees and their dependants receive adequate medical coverage. In its review of the UN system staff medical coverage, the JIU has made seven recommendations, of which, recommendations 1, 3, 4 and 5 are addressed to legislative bodies and the Council may wish to address these as appropriate.

***Recommendation 1***

*The legislative bodies of the United Nations system organizations should formally recognize staff health insurance as an important integral part of the common system. They should request ICSC to undertake periodic reviews with a view to making recommendations to the General Assembly.*

***Recommendation 2***

*In this regard, the General Assembly should establish, initially, an ad hoc advisory body to assist ICSC in formulating broader principles, policies and standards for staff health insurance schemes. The advisory body should be composed of representatives of Member States, officials of the United Nations system organizations, elected representative(s) of the staff, and elected representative(s) of the retirees, and be assisted by experts in health and insurance matters from the private sector.*

12 The Secretary-General and the senior management appreciate the proposal being made by the JIU. As staff health insurance is provided by all UN system organizations, that is an indication that it is an important part of the common system. However, being recognized as an integral part of the common system does not necessarily mean that harmonization and one size fits all is achievable. The issue of staff health insurance is far more complex than the analysis provided by the JIU in the report. At the moment, the Organization participates in a number of UN networks, which deal with staff health and insurance issues and does not see any short-term benefit to be derived from the ICSC undertaking periodic reviews. Similarly, the proposal to establish an advisory body on staff health insurance issues would appear to be redundant with other consultative mechanisms and its operation could represent additional cost to the Organization.

***Recommendation 3***

*The legislative bodies of each United Nations system organization should request their respective executive heads to harmonize the existing health insurance schemes, initially at the level of the duty station, and in the longer term across the common system, relating to scope of coverage, contributions and benefits, and to establish periodic reporting on health insurance-related information to the legislative bodies.*

13 The first part of this recommendation is not germane to the Organization, being the sole UN system organization headquartered in London. In the long term, the harmonization of health insurance schemes across the common system will depend on the success achieved in the harmonization of those schemes at duty stations having more than one UN system organization. On the latter part of the recommendation, the Council is regularly provided with information on health insurance-related matters through a number of different reports.

***Recommendation 4***

*The legislative bodies of each United Nations organization should request their respective executive heads to undertake periodic actuarial studies based on a uniform system-wide methodology to determine the extent of accrued ASHI liabilities and to disclose the liabilities in the financial statements.*

***Recommendation 5***

*The legislative bodies of each organization should:*

- (a) Request their respective executive heads to put forward proposals for funding ASHI liabilities;*
- (b) Provide adequate financing to meet those liabilities and establish a reserve for this purpose.*

14 With the pending move to the International Public Sector Accounting Standards (IPSAS), ASHI liabilities would be reflected in a consistent and uniform manner. Once ASHI liabilities have been fully established, funding for such liabilities could involve a number of options. As with all other liabilities, provision will need to be made in the regular budget to cover such liabilities. The recommendation to establish reserves to meet future ASHI liabilities is only one option out of a number of possible solutions. However, proposals for funding ASHI liabilities would be welcome from the Council.

***Recommendation 6***

*The United Nations General Assembly should establish a common fund to pool the reserves (existing and to be established), which should be invested in a manner similar to the assets of UNJSPF.*

***Recommendation 7***

*Executive heads should implement cost containment measures proactively in their respective organizations and ensure that these measures are taken in a coordinated manner among the various organizations in a duty station.*

15 With respect to recommendation 7, the Council may wish to note that, as per established practice within the Secretariat, an annual review with the health insurance provider is carried out. This review considers the actual cost for the provision of services, with a view to cost containment and reduction. Equally, staff members that participate in the health insurance scheme are apprised of the outcome of the review and are encouraged to bear in mind the need for prudent and judicious use of the scheme.

**AGE STRUCTURE OF HUMAN RESOURCES IN THE ORGANIZATIONS OF THE UNITED NATIONS SYSTEM (JIU/REP/2007/4)****General**

16 This report contains eight recommendations, three of which, i.e. recommendations 1, 2 and 5, require action of the Council.

***Recommendation 1***

*The legislative body of each organization of the United Nations system should (a) request its executive head to provide detailed and analytical information regarding age structure and other related information as part of a periodic human resources management report; and (b) set targets, establish benchmarks, and use them to monitor the measures taken by the organization to address the potential impact of ageing of its staff members.*

17 The Council may recall, that in document C 101/5(a)/1, the Secretary-General provided a full analysis on human resource issues, which included the age structure of professional staff as well as the ongoing development of succession plans. He intends to retain this issue under regular review, which would address the thrust of the aforementioned recommendation.

***Recommendation 2***

*The legislative body of each organization of the United Nations system should request its executive head to review the staffing structure of his or her organization in order to establish a balanced staff grade structure. To rejuvenate the staffing structure, more junior level posts (at P-2 and P-3 levels) should be established to attract young professionals. To achieve this, adequate cooperation and coordination between the human resources/finance divisions and the substantive divisions should be ensured.*

18 The Secretary-General recognizes the need to rejuvenate the staffing structure of the Organization in light of the current age structure within the professional category. Whilst every effort is made to review the classification of posts once the incumbent has retired, there are limitations on the extent to which most professional posts in the technical divisions can be reclassified to attract applicants with the requisite high standard technical background and experience. Notwithstanding this general limitation, a number of existing and new posts have been reclassified to attract young professionals in all areas of the Secretariat.

***Recommendation 3***

*Executive heads of each United Nations system organization should review, in consultation with ICSC and the CEB Human Resources Network, the standards of eligibility requirements for posts at and below P-3 level, placing more emphasis on educational qualifications, technical skills and potential performance.*

19 The Secretary-General accepts, in principle, this recommendation. The recruitment of staff at P-3 and below has always been weighted in favour of educational qualifications, skills and potential for development. Due care must be given, however, to preserve the specific technical requirements of IMO, which differ from those of other UN system organizations. It may, therefore, be optimistic to expect a full standardization of job requirements for P-3 posts and below amongst UN system organizations.

#### **Recommendation 4**

*Executive heads of each United Nations system organization should (a) undertake special measures to ensure the influx of young professionals through special recruitment drives; (b) strengthen the career development prospects for young professionals through enhanced training and staff development; (c) allocate adequate resources for training and staff development activities; and (d) adequately address the work/life issues of staff members with special attention to the family-related issues of young professionals.*

20 For some occupational functions, such as law, human resources, finance, technical cooperation, language and management, it might be possible to develop special measures to attract young professionals in the early stages of their careers. However, some technical areas require practical experience, which cannot be compensated by academic qualifications or other training. In those cases, recommendation 4(a) might not be feasible. With regard to recommendations 4(b) and 4(c), the Secretary-General has recognized the need to invest in staff development and training and launched, in 2007, a new staff development programme, which has already benefited a substantial number of staff members at IMO. Recommendation 4(d) is also generally acceptable to the Secretary-General, provided that specific proposals for work-life balance do not affect programme delivery.

#### **Recommendation 5**

*Legislative bodies of the United Nations system organizations should request the executive management to (a) submit regular reports showing retirement forecasts; (b) establish performance indicators to forecast replacement needs and monitor their implementation; and (c) take adequate measures to ensure proper knowledge transfer and safeguard institutional memory.*

21 The Secretary-General regularly reports to the Council on human resource issues, including anticipated retirements and staff turnover. Succession planning is a key component of management and, for a specialized agency such as IMO, knowledge transfer and retention of institutional memory are paramount in such planning.

#### **Recommendation 6**

*Executive heads of the United Nations system organizations should request the CEB secretariat, through its Human Resources Network, to assess the current status of succession planning in these organizations, and include succession planning on the agenda for in-depth discussion at its regular meetings, with a view to developing policies and a framework for succession planning, using the broad benchmarks provided in this report, for adoption by the United Nations system.*

22 The Secretary-General accepts this recommendation and work is already underway through the Human Resources Network to develop appropriate policies.

#### **Recommendation 7**

*The General Assembly should request the Secretary-General of the United Nations, in his capacity as the chairperson of CEB, to initiate a review, with the involvement of the UNJSPF Board and ICSC, on the possibility of changing the mandatory age of separation in view of the number of impending retirements in the United Nations system, with due consideration to the increase in life expectancy at the age of 60.*

**Recommendation 8**

*Executive heads of the United Nations system organizations, in coordination with CEB and ICSC, should review the existing regulations and financial limits relating to the employment of retirees, with a view to making them more flexible, and submit an appropriate proposal to their respective legislative bodies.*

23 Extending the retirement age in the UN system has a number of implications for the management of human resources as well as for the actuarial situation of the Pension Fund. A comprehensive review of these implications will have to be undertaken by the UNJSPF Board and the ICSC before any decision is reached by the CEB. With respect to recommendation 8, the Secretary-General accepts this recommendation and will review the existing policy on the employment of retirees.

**KNOWLEDGE MANAGEMENT IN THE UNITED NATIONS SYSTEM (JIU/REP/2007/6)****General**

24 The Secretary-General and the senior management welcome this report and its recommendations, especially on a subject that is as broad and challenging for organizations in the UN system. Only recommendation 3 is addressed to the Council for action.

**Recommendation 1**

*The United Nations System Chief Executives Board, through its High-level Committee on Management, should develop:*

- (a) A common definition of knowledge management to be used by all United Nations system organizations;*
- (b) A glossary of common terminology, which can be used in the development of knowledge management strategies and initiatives;*
- (c) A minimum common set of guidelines to be used as the basis for each United Nations organization in the development of its own knowledge management strategy.*

**Recommendation 2**

*The executive heads of the United Nations system organizations should:*

- (a) Survey the knowledge needs of the clients (internal and external) of their organizations;*
- (b) Undertake an in-house knowledge inventory for each organization;*
- (c) Identify and address the potential knowledge gaps existing between the needs of clients and the knowledge available within each organization;*
- (d) Ensure that each organization develops, or revises, its own knowledge management strategy based on the above points and on guidelines to be developed by the United Nations System Chief Executives Board.*



25 Within the Secretariat, a knowledge management group has been established and has been given a broad mandate to address issues related to knowledge management.

***Recommendation 3***

*The General Assembly and the respective governing bodies of the United Nations system organizations should make the necessary provisions for the establishment of dedicated knowledge management units within each organization. The knowledge management units should be provided with the necessary financial and human resources, according to the dimension and specific needs of each organization.*

26 As stated in paragraph 25 above, a knowledge management group is reviewing a number of issues related to this subject and, until the group has reached some conclusions, establishing a dedicated unit, with financial and human resources, may be premature at this stage.

***Recommendation 4***

*The United Nations System Chief Executives Board should review the possibility of developing a common search engine, which can facilitate interoperability and access by the different United Nations organizations to knowledge and information, including intranets and databases, available across the United Nations system.*

27 Work to address the issue raised in recommendation 4 above is already being undertaken by the UNDG IT Task Group.

***Recommendation 5***

*The executive heads of the United Nations system organizations should establish knowledge-sharing competencies as one of the criteria to be assessed in the staff performance appraisal system.*

28 The concept of encouraging managers to share their knowledge with others and to reflect such willingness to teach others within the performance appraisal system is supported.

**ACTION REQUESTED OF THE COUNCIL**

29 The Council is invited to take note of the information contained in this document and to comment as it may deem appropriate, in particular:

- .1 to endorse, in principle, the Secretary-General's comments on the reports and welcome action already taken or underway to address those recommendations addressed to him;
- .2 to concur with the Secretary-General's views and his explanation on the status of those recommendations addressed to legislative bodies contained in the report on "Voluntary contributions in United Nations System Organizations – Impact on programme delivery and resource mobilization strategies" (JIU/REP/2007/1);
- .3 with respect to the report on "United Nations System Staff Medical Coverage" (JIU/REP/2007/2), to note recommendations 3, 4 and 5, taking into account the ongoing transition to IPSAS;

- .4 to concur with recommendations 1, 2 and 5, as the Secretary-General's regular reports to the Council on human resource issues adequately address the thrust of these recommendations; and
- .5 to note recommendation 3 of the report on "Knowledge Management in the United Nations System" (JIU/REP/2007/6) in view of the ongoing work within the Secretariat.

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**ANNEX 1**

**VOLUNTARY CONTRIBUTIONS IN UNITED NATIONS  
SYSTEM ORGANIZATIONS – IMPACT ON PROGRAMME DELIVERY AND  
RESOURCE MOBILIZATION STRATEGIES**

**(JIU/REP/2007/1)**

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**ANNEX 2**

**UNITED NATIONS SYSTEM STAFF MEDICAL COVERAGE**

**(JIU/REP/2007/2)**

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**ANNEX 3**

**AGE STRUCTURE OF HUMAN RESOURCES IN THE ORGANIZATIONS OF THE  
UNITED NATIONS SYSTEM**

**(JIU/REP/2007/4)**

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**ANNEX 4**

**KNOWLEDGE MANAGEMENT IN THE UNITED NATIONS SYSTEM**

**(JIU/REP/2007/6)**

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